



COUNTRY STRATEGIC PLAN 1998-2006

USAID/Senegal

Original: February 1998
Revised: June 1998

*There is a tide in the affairs of men
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat,
And we must take the current when it serves,
Or lose our ventures.*

*from Julius Caesar, Act 4, Scene 3
by William Shakespeare*

USAID/SENEGAL COUNTRY STRATEGIC PLAN

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LIST OF ACRONYMS

ACEP	<i>Alliance de Crédit et d'Epargne pour la Production (Alliance of Savings and Loans for Production)</i>
ADS	Automated Directive System
AFDB	African Development Bank
AIDS	Acquired Immunodeficiency Syndrome
ARD	Regional Development Agency
AVSC	Association for Voluntary Surgical Contraception
BRID	<i>Bureaux Régionaux des Impôts et Domaines</i> (Regional Bureaus of Taxes and Responsibilities)
CBNRM	Community-Based Natural Resource Management
CCPP	Consultative Committee for Participation and Partnership
CDIE	USAID's Center for Documentation, Information, and Evaluation
CEL	Country Experimental Lab
CFAF	<i>Communauté Financière de l'Afrique (Franc)</i> : local currency of the member states of the West African Monetary Union
CFD	<i>Caisse Française de Développement</i>
CIDA	Canadian International Development Agency
CL	<i>Collectivité Locale</i> (local government unit)
CNCR	<i>Conseil National de Concertation et de Coopération des Ruraux</i>
CONGAD	<i>Conseil des Organisations Non-Gouvernementales d'Appui au Développement</i> (national coordinating body for non-governmental organizations)
CONSERE	<i>Conseil Supérieur des Ressources Naturelles et de l'Environnement</i> (Senior Council for Natural Resources and the Environment)
CR	<i>Conseil Rural</i> (Rural Council, equivalent to the county-level government structure in the United States)
CR	<i>Communauté Rurale (Rural Community)</i> , equivalent to U.S. county
CRS	Catholic Relief Services
CS	Child Survival
CSE	Ecological Monitoring Center
CSC	Customer Service Committee
CSCP	Customer Service Contact Person
CSP	Country Strategic Plan
CSP	Customer Service Plan
DAT	<i>Direction de l'Aménagement du Territoire</i>
DCL	<i>Direction des Collectivités Locales</i>
DFCL	<i>Division Financière des Collectivités Locales</i>
DFS	Decentralized Financial System
D/G	Democracy and Governance
DHS	Demographic and Health Survey
EC	European Community
EDF	European Development Fund
EG	Economic Growth funds of USAID
EIA	Environmental Impact Assessment
EROS	Earth Resources Observation Systems

ESAF	Enhanced Structural Adjustment Facility
EU	European Union
FA	Foreign Aid
FHA	Family Health & AIDS Control
FP	Family Planning
FPLM	Family Planning Logistics Management
FRG	Federal Republic of Germany
FSN	Foreign Service National Employee
FTE	Full Time Equivalent
FY	Fiscal Year
GDP	Gross Domestic Product
GIE	<i>Groupement d'Intérêt Economique</i> (Economic Interest Group)
GNP	Gross National Product
GOS	Government of Senegal
GTZ	German Development Agency
HRDA	Human Resources Development Assistance
HIV	Human Immunodeficiency Virus
IDA	International Development Association
IBRD	International Bank for Reconstruction and Development
IEC	Information, Education and Communication
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation (IBRD)
IFES	International Foundation for Election Systems
IFIs	International Financial Institutions
IMF	International Monetary Fund
IRs	Intermediate Results
ISRA	<i>Institut Sénégalais de Recherches Agricoles</i> (government agricultural research institute)
KAED	Kaolack Agricultural Enterprise Development
KIR	Key Intermediate Result
LTC	Land Tenure Center
LUMP	Land Use Management Plan
MCH	Maternal and Child Health
M&E	Monitoring & Evaluation
MEPN	Ministry of the Environment and Protection of Nature
MHSA	Ministry of Health & Social Action
MSI	Management Systems International
NEAP	National Environmental Action Plan
NGO	Non-Governmental Organization
NMS	New Management System
NPA	Non-Project Assistance
NPI	New Partnerships Initiative
NR	Natural Resource
NRBAR	Natural Resource Based Agricultural Research
NRM	Natural Resource Management
OE	Operation Expense
OMVG	<i>Organisation pour la Mise en Valeur de la Gambie</i>
ONEL	National Observatory of Elections

ORB	Operational Year Budget
PDIS	Integrated Health Development Program
PHN	Population, Health and Nutrition
PMP	Performance Monitoring Plan
PNDSS	National Social and Health Development Plan
PS	Socialist Party
PVO	Private Voluntary Organization
RH	Reproductive Health
R4	Results Review and Resource Request
RP's	Results Packages
TFR	Total Fertility Rate
SASA	Senegal Agricultural Sector Analysis
SDPs	Service Delivery Points
SDRs	Standard Drawing Rights
SMEs	Small and Medium Enterprises
SENELEC	Senegal's National Electric Company
STI	Sexually-Transmitted Infection
SO	Strategic Objective
USDH	U.S. Direct Hire
UNDP	United Nations Development Program
UNFPA	United Nations Fund for Population Activities
UNICEF	United Nations Children's Fund
USAID	U.S. Agency for International Development
USG	United States Government
USGS	United States Geological Survey
WADB	West African Development Bank
WHO	World Health Organization

AMBASSADOR'S STATEMENT

Senegal has become in many ways America's most important francophone partner in sub-Saharan Africa. A voice of moderation on peace in the Middle East and conflict resolution in Africa, Senegal is a veteran participant in international peacekeeping and a charter member of the U.S.-proposed African Crisis Response Initiative. Senegal's 35 years of political stability, its increasing political pluralism, and good record on human rights buttress our partnership.

The major challenges of the coming decade are carefully targeted in USAID's new strategy:

In the past Senegal's skill in overcoming political problems has not been matched by a positive record of economic management and growth. Over the past few years, however, Senegal has been carrying out far-reaching economic reforms to liberalize the economy, to disengage the state from direct economic activity, and to master inflation and the budget deficit. USAID's new strategy is aimed at improving the business climate and permitting the private sector to become the engine of economic growth. A dynamic private sector is essential if Senegal is to take advantage of economic globalization.

In 1996 Senegal took a further major step toward democratization by creating regional and local elected bodies to decentralize political decisions. Success in this ground-breaking experiment will depend on how well the new political institutions can mobilize local revenues and manage their natural resources in an environmentally-responsible manner. The USAID strategy addresses this need very creatively.

Finally, under the new strategy USAID will maintain its role as the preeminent donor in the family planning and health sectors. Declining fertility rates and infant mortality suggest that there is good progress to be made in the coming decade in bringing down Senegal's 2.7% population growth rate and thus in eventually reducing the heavy burden it imposes on educating and employing its young people. USAID's continued involvement in this sector is thus important for the future political stability of Senegal.

The USAID strategy is the product of an extraordinary year-long effort of collaboration with Senegalese from a great variety of sectors and walks of life. It is well-focused and realistic and therefore a good investment in our continued partnership with this country, the gateway to West Africa.

Dane F. Smith, Jr.
Ambassador

FOREWORD¹

Economically, politically, and socially, Senegal is at a critical development crossroads. The choices that the Senegalese make over the next few years will determine if the country moves forward and reaches its potential, or stagnates and loses the opportunity to advance at the pace it would like. USAID has been a partner in Senegal's development over the past 35 years and recognizes the country's current juncture. In response, this new Country Strategic Plan, which builds on experience to date, represents a paradigm shift and outlines a more effective approach to support Senegal in making and sustaining appropriate development decisions. In doing so, it forges a new relationship with the Senegalese and strengthens donor partnerships.

Senegal's macroeconomic performance has improved significantly, as demonstrated by real GDP growth rates over the past four years since devaluation. While policy reform steps have been in the right direction and have begun to effect such changes as liberalizing the rice marketing system and privatizing parastatals, Senegal needs to deepen and strengthen the base for its market economy. By facilitating a stronger private sector environment, Senegal can stimulate both internal and external investment and improve its competitiveness in a globalized economy. Without such steps, it will be unable to address the real needs for increased employment and income generating opportunities among its people.

Senegal's political development is at a critical point. Long-touted as a stable democracy, the Senegalese have shown increasing signs of disenchantment with the poor responsiveness of centralized government to citizen concerns; however, two recent developments are encouraging. In late 1996, the Government of Senegal took a major step to expand citizen participation as it passed far-reaching legislation to decentralize many key public authorities to regional levels. While decentralization should enable local prioritization of issues, problems, and opportunities, as well as the mobilization of resources and efforts to address them locally, much will have to be done to ensure that this new system works well. In 1997, an independent electoral observatory was established to provide greater transparency to the electoral process. If fully implemented, these measures can help increase people's confidence in the functions and relevance of public institutions.

Social issues in Senegal affect its development. The continuing high population growth rate threatens to diminish real development gains that would otherwise be made. Appropriate health services need to improve and become more accessible to have an impact on reducing both the rate of population growth and child and infant mortality. Senegal can address these concerns effectively if it builds on progress that has been made and seizes the opportunities relevant to health issues presented by decentralization and greater engagement of the private sector.

All three of these major crossroads issues involve critical choices that the people must make if Senegal is to move into long term sustainable development. This new Country Strategic Plan (CSP), covering the period 1998-2006, is founded on the key concept of empowerment as the most effective way to support Senegal's goal. USAID's willingness to promote this concept and

¹ USAID/Senegal's Country Strategic Plan (CSP) for FY 1998-2006 is submitted in response to Agency strategic planning requirements defined in ADS Section 201.5.10.

make it real stems from a fundamental lesson learned from its own experience and the experiences of other partners in Senegal and worldwide over the last four decades. At one time, the general tendency in the donor community, including USAID, was to spend large amounts of resources on expressed survival needs. At best, these resources helped sedate pain, but did not cure wounds. Their effects often ceased with or shortly after the termination of assistance programs. It is now evident that worthwhile, lasting results from development assistance must instead *endow targeted communities with the moral confidence, the social and institutional capital, and the technical ability to identify and address their needs themselves*. To this end, this new CSP focuses on a three-faceted objective of promoting economic, political, and social empowerment. The overarching objective is, for operational purposes, divided into the following three Strategic Objectives (SOs):

Strategic Objective 1. *Sustainable increases in private sector income generating activities in selected sectors.* This Strategic Objective is about economic empowerment, enabling people to have meaningful choices in the economic investments of their labor and resources, to be achieved by promoting private initiatives in all sectors at all levels, especially at the grassroots level.

Strategic Objective 2. *More effective, democratic, and accountable local management of services and resources in targeted areas.* This Strategic Objective is aimed at political empowerment by enabling people to make choices about the definition of priority issues and the mobilization of resources at local levels to address those issues. These are political choices that decentralization encourages.

Strategic Objective 3. *Increased and sustainable use of reproductive health services (child survival, maternal health, family planning, and sexually-transmitted infections/AIDS), in the context of decentralization in targeted areas.* Social empowerment, including greater private sector choice in health care, is the primary purpose of this Strategic Objective.

Empowerment is further imbued in the way USAID expects to implement this CSP. Under a new demand-driven approach, communities will self-select themselves to become associated with achieving the results implicit in each of these Strategic Objectives. Together, this strategic framework and its implementing principles, developed in true partnership with the Senegalese, will achieve sustainable development results based on the ownership that derives from empowered choices.

PART I: ANALYSIS OF ASSISTANCE ENVIRONMENT AND RATIONALE FOR STRATEGY

INTRODUCTION

Senegal is a politically stable, largely Moslem (though administratively secular), multi-party democracy that acts as a moderating force in the Islamic and African worlds. But local and global forces offer new challenges and opportunities during the period covered by this CSP.

Senegal's unique and commendable stability is likely to be severely tested through a combination of political, economic, and social dynamics. Drought and degraded soils threaten the agricultural sector, which cannot absorb a rapidly growing population (expected to double in 25 years). The social system will continue to cope with wide-spread illiteracy and rapid, unplanned urbanization. While health care will become even more accessible to rural and urban populations, mortality rates for infants and children remain high. In response to economic globalization, global information technologies will quickly become widespread, and Senegal will need to expand beyond its traditional trade relationships.

While Senegal is committed to macroeconomic reform, democratic freedom, and stability, the next few years will be particularly challenging as the country seeks to balance the forces of stability and entrenched power centers (both secular and religious) with the forces of change emanating from a disenchanted and resource-poor majority (note that half of the population were born subsequent to President Diouf assuming the Presidency 18 years ago).

Over the next decade, the GOS will also be faced with a donor community whose resources and priorities are shifting. Senegal can expect a continued decline in funding, including that from France, due to shrinking budgets worldwide and competition for these scarce resources from nations that are showing results. Senegal will therefore increasingly need to finance its own development using both domestic and international investment capital. Donor assistance will remain a useful tool for easing this transition from dependency to greater autonomy. Likewise, a strong thrust towards decentralization is evolving into new balances of power in Senegal. The rise of civil society, including women's groups and a younger generation trained with an international influence, will likely induce other changes both inside and outside of government. Current concerns with corruption in Africa are equally strong in Senegal, centering on issues of transparency, accountability, and effectiveness in business and government communities.

In spite of these challenges, the Senegalese and their development partners can draw hope from their accomplishments during the mid-1990s, and from the assets and great opportunities mentioned in the Forward.

A. U.S. FOREIGN POLICY INTERESTS

USAID is uniquely positioned to help Senegal seize its opportunities and manage a transition from the powerful constraints of poverty, illiteracy, and centralized government to a more pluralistic society that releases the power of latent creativity and self-interest. The United States holds a position of great importance to the Senegalese, who appreciate strong U.S. leadership on transnational issues; opportunities for education, culture, and information; and economic

partnership. USAID/Senegal, though not among the top five donors in Senegal, has an influence beyond its ranking. This influence is strengthened by USAID's innovative, participatory, and creative programming, which focuses on achieving results that will be sustained long after assistance is terminated.

Senegal, in turn, is uniquely important to U.S. foreign policy interests in several ways:

Policy and History. Modern U.S./Senegal relations date to World War II. The country's world view and strategic perspectives remain largely congruent with those of the United States, and its government remains a positive example of political stability and moderation. In addition, since Senegal was a major staging ground for the slave trade, it is of particular cultural significance to American history.

Economics. Congress' Africa Growth and Opportunity Act and the Clinton Administration's Partnership for Growth and Opportunity in Africa call for stronger U.S. trade and investment in selected African countries, including Senegal. Despite aggressive economic liberalization, much room for progress remains. Senegal's macroeconomic situation is improving (U.S. exports to Senegal increased by 60% from 1994 to 1996), and the country is capitalizing on its modern port facility, stable political climate, and burgeoning tourist industry. In response to globalization, Senegal increasingly seeks greater trade and investment with the United States. It has recently formed, at the level of the Presidency, a group to study how to take advantage of the recent developments discussed above.

Politics and Military. While chronically short of resources, Senegal nevertheless continues to play a key role in contributing to conflict resolution in Africa and beyond. Senegal is a charter member of the U.S.-proposed African Crisis Response Initiative and has demonstrated commitment and professionalism in peacekeeping operations in, among other places, Bosnia, Liberia, Rwanda, the Sinai, and Lebanon. Senegal was the first sub-Saharan country to volunteer forces for Operation Desert Storm in Kuwait. Senegal also enjoys a high diplomatic profile and exercises considerable influence among other African and Islamic nations. Senegalese professionals hold a disproportionately large number of high positions in international organizations. Senegal is a stable, multi-party democracy that is conscious of the need to strengthen its democratic traditions. The disorderliness of local and regional elections in November 1996 cast a shadow over democratic procedures and has heightened awareness of the need to assure a more transparent process in the future. The recent establishment of a National Observatory of Elections is evidence of progress.

Environment. In Senegal, as in much of West Africa, environmental degradation continues to threaten physical resources and economic livelihoods. Senegal is a typical Sahelian country, so environmental efforts initiated here could be developed into solutions for the entire region. Because the United States is a recognized leader in environmental technology, U.S. investments in this sector could benefit both Senegal and the Sahel as a whole, as well as promote U.S. commercial interests.

Population and Health. Senegal's high population growth rate (2.7%) remains a major concern in terms of health and sustainability. While much progress has been made in the health sector through long-term U.S. investments, efforts must continue to combat the constraints of limited resources and low per capita income.

AIDS. Thanks in part to U.S. investments, Senegalese researchers were part of a team that discovered a major strain of HIV. USAID's early assistance in late 1980s has helped to stem transmission and has contributed to high levels of population awareness of the disease and its avoidance.

Senegal has a history of resiliency in the face of foreign domination, economic hardship, drought, and other natural disasters. Popular resourcefulness, government reforms, creativity, and an entrepreneurial spirit will provide a basis for further economic growth and social development. Senegal's increased openness to the United States has permitted USAID to develop excellent relationships with ministers, religious leaders, and the business community. Though USAID funding levels are shrinking, the Mission's proposed strategy has great potential to meet U.S. objectives and have a far-reaching, sustainable impact.

B. COUNTRY OVERVIEW

1. Natural resources

Senegal is a semi-arid country with a population of 8.8 million (1997) occupying an area of 76,000 square miles (about the size of North Dakota). The country shares borders with Mauritania, Mali, Guinea, Guinea-Bissau and the Gambia. Dakar, the capital city located on the western-most portion of Africa's Atlantic coast, is considered a gateway to the continent.

Senegal has a diversified natural resource base of uneven quality, including a deep-water port at Dakar; a sunny and pleasant climate; extensive beaches and other tourist attractions; and one of the best marine fisheries in Africa. However, Senegal's port and tourism potentials are under-utilized, while its marine fisheries are threatened by over-fishing. Other than phosphate, Senegal has not yet found significant mineral or energy resources for industrial development. Fuelwood and charcoal furnish about 63% of Senegal's energy needs, supplemented by heavily-taxed, imported petroleum products (including gas). Of Senegal's total land area, only 19% is suitable for agriculture, and only 1.5% is currently irrigated. Drought and population pressures have placed intense strains on Senegal's present agriculture and natural resource management (NRM). Much of Senegal's agricultural land has been degraded and is further constrained by substantial variation and an overall decline in rainfall. Improved conservation and more effective use of limited agricultural resources thus remain key to sustaining rural livelihoods.² However, it is clear (at least to USAID) that Senegal's economic future cannot be based primarily on agriculture.

2. Population

Senegal's current population is estimated at 8.8 million, with about 60% living in rural areas. With women bearing, on average, 5.7 children each, the population continues to grow quickly, at a rate of 2.7% per year. Senegal's population is expected to pass 18 million before the year 2025, imposing great challenges to the country's social service systems.

²A 1998 USAID/Senegal paper, *Assessment of Tropical Forests and Biodiversity*, and the 1997 update to the *Senegal Agricultural Sector Analysis* (see bibliography) examine these issues in detail.

Children under the age of 10 represent over one third of the population. They continue to die at unacceptable rates from preventable diseases such as malaria, chronic diarrhea/dehydration, measles, and respiratory infections. Overall life expectancy in Senegal rests at approximately 50 years.³

Only about 31% of the population is literate, a reflection of years of poor management and lack of resources in the educational sector. Women are particularly marginalized, only 21% of whom are educated compared with 41% of men. In general, women suffer from greater poverty due to lack of access to critical resources such as land, credit, extension services, and technology.⁴

3. Political context

Unlike many African countries, Senegal's independence was not accompanied by violent revolution. Instead, political, economic, and cultural relationships with France have remained strong. Since Independence, Senegal has been ruled by the same Socialist Party (PS), initially under the leadership of President Leopold Sedar Senghor (1960-80), and later under the leadership of President Abdou Diouf (1980-present). During his last few years in office, President Senghor took steps to liberalize the regime and to encourage development of a limited multiparty system. President Abdou Diouf furthered the democratic experiment, opening up the political system to more political parties (of which there are now 21). Politics, to an important extent, tend to reflect personalities rather than philosophies or programs. Traditional religious interest groups remain strong, though a number of new forces are beginning to emerge. An armed movement seeking greater local autonomy in the Casamance region periodically challenges the otherwise stable government.

The 1996 Decentralization Law is a major initiative that has the potential for empowering local entities to provide social services that the central government proved it could not deliver. The challenge is how to train these local officials, and how to finance local programs.

Senegalese elections continue to be characterized by controversy and conflict among parties and within the ruling PS. Recent elections, for example, have been marred by administrative irregularities and allegations of registration and ballot fraud. In 1997, however, the GOS created a National Observatory of Elections (ONEL) to oversee the (May 1998) legislative elections that are still run by the Ministry of Interior. If implemented as planned, the ONEL will define the ground rules as well for the Presidential election in the year 2000, ensuring free, fair, open, and transparent elections nationwide.⁵

³*Population and Health in Senegal: USAID Retrospectives and Appraisals* (see bibliography) provides further background information. See also Part IIE, SO3's introduction.

⁴*Annex C: Gender Considerations* and B. Rideout et al. provide further information on this subject.

⁵Two recent reports by G. Denoeux and S. Gellar (see bibliography) provide further information about the political context.

4. Economic context

As the former colonial capital of French West Africa, Senegal has long been an economic and trading hub. It was also one of the first countries in Africa to undertake a structural adjustment program, beginning in the early 1980s. Economic growth resulting from the program was unsustainable, however, due in part to an overvalued currency. In 1993 Senegal came close to financial collapse when expected public resource allocations did not materialize. Negotiations for further budget assistance from the World Bank and the IMF were cancelled. In addition, the lack of basic macroeconomic reform agreements led to the suspension of support from other major donors. Beginning in 1993, however, the GOS implemented stringent economic reforms, reinforced by the devaluation of the CFA Franc in January 1994. Macroeconomic performance indicators have since shown improvement. The real GDP growth rate has increased from -0.2% in 1993 to 5.6% in 1996, and the fiscal deficit as a percent of GDP has declined from -4% in 1993 to -1%. The service sector contributes to 50% of the growth in GDP, while that of the primary sector is limited to about 20% per year (see Table 1.A).⁶

Table I.A. Macroeconomic Performance

<i>Indicator</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>
Real GDP Growth (%)	-2.1	2.0	4.8	5.6	4.7
Inflation Rate (%)	-0.5	33.2	7.6	2.8	2.5
Gross Savings as % of GDP	7.1	9.8	12.1	13.4	14.5
Investment as % of GDP	13.2	13.7	15.6	16.0	16.5
Fiscal Surplus/Deficit as % of GDP	-4.0	-5.7	-3.2	-2.0	-1.1
External Current Account as % of GDP (less official transfers)	-10.3	-9.3	-7.9	-7.2	-6.3
External Public Debt as % of GDP	62.5	80.9	70.7	72.1	68.2
Debt Service as % of Export	25.6	21.9	20.1	18.6	19.2

source: IMF/GOS/IBRD, compiled by USAID/Senegal

Although much has been done to improve Senegal's environment for sustainable development, economic reforms have not resulted in significant domestic and foreign investment increases. Senegal's economic recovery is hardly complete. Several issues exist that constrain Senegal's efforts to improve private response to these positive developments. Some of these include:

High cost of production. Labor, water, energy, and transport costs remain relatively high compared with regional competitors and other dynamic developing economies.

Low investment/GDP ratio. Prudent macroeconomic management has resulted in low inflation and fiscal deficit. While current investment is 16.5% of GDP, experience suggests that Senegal needs to invest about 25% of its GDP each year in order to create jobs for

⁶The 1997 Berg et.al. report referenced in the bibliography provides excellent additional background.

its growing labor force. The country needs to promote an investor-friendly climate to attract both domestic and direct private foreign investment.

Slow pace of privatization. Privatization of state-owned enterprises is a key tool for stimulating private sector growth. Despite GOS pledges, only a limited number of these enterprises have been privatized or liquidated.

Weakness in the administration of justice. Administrative weaknesses hinder growth in investment and trade. Lack of transparency in the judicial system, lack of jurists trained in commercial law, and delays in resolving commercial claims are among the current pitfalls. Sustained growth in Senegal will require a more transparent legal environment.

Heavy reliance on donor funding. Senegal is not eligible for the debt relief programs designed to benefit extremely poor countries, yet about 70% of its investment budget (1996) has been supported by foreign-based loans and grants.

Centralized bureaucratic structures. Until recently, ministries and other national offices rarely delegated authority to their field services, and in the case of NRM, not even to the general population. This system has slowed the implementation of policy decisions and smothered local initiatives. With the new Decentralization Laws in place, the challenge lies in implementation.

Lack of education about market economies. Misconceptions about the market structure are widespread among civil servants. GOS decision processes lack policy analysis with a solid basis in market economics. Misguided public policies, hesitation, and backsliding can be eliminated with a better public understanding of liberalization and market policies.

Low level of basic education. Senegal's literacy rate is lower than the average for Africa. As the Asian experience has shown, increases in wage rates and employment possibilities depend heavily on a labor pool that is dependable and that either has skills or is easily trainable. Literacy is essential.

C. CRISIS PREVENTION

Food Availability. Senegal's agriculture is characterized by extreme variability in rainfall levels. Domestic production of food grains now provides only 50% of the food grains needed to feed this rapidly growing population. Meanwhile, commercial imports and food aid (relatively small and declining somewhat) have been essential for maintaining consumption levels. Thanks to successful USAID/Senegal policy reform efforts, which have enabled the private sector to import rice and market it domestically, Senegal's rice marketing is highly competitive and efficient. The private sector now has the capacity to respond to food grain shortages, aided by climatic monitoring systems that have received CILSS/USAID/FAO assistance. Poor farmers, however, affected by production shortfalls, continue to rely on the GOS as a safety net due to the absence of private sector mechanisms such as crop insurance or futures contracts.

Drug Use. While Senegal is not currently a major drug trafficking center, drug use has increased enough to become a social problem. To the extent that the new CSP addresses poverty and

unemployment through empowering the Senegalese to take a greater role in political, economic, and social decisions to improve their lives, steps toward sustainable development can help minimize the motivations behind drug use.

Regional Violence. While the upsurge of violence in the southern Casamance region is troubling, it is an internal civil matter and USG intervention is not assumed in this CSP. The United States continues to support Senegal's territorial integrity and maintains that the conflict can only be settled through peaceful, political negotiations. The Embassy has restricted travel to affected areas by U.S. citizens and employees of USG agencies. Such local unrest and USG restrictions will limit the areas in which USAID can safely operate. This is unfortunate because areas with some of the greatest need and potential are in the Casamance. To the extent that the new CSP addresses political, economic, and social empowerment issues, it may help alleviate problems in other areas of Senegal before they too lead to violence.

Corruption. Corruption is present in Senegalese public and private sector life, and while it may not be as serious as in some other African countries, it affects people's confidence in fundamental social, political, and economic institutions. SO2 (local management) addresses the local empowerment and good governance needed to instill transparency and restore confidence. Moreover, a key intermediate result of SO1 (private sector) deals with the enabling environment, recognizing that transparency and the establishment of "rules of the game" are equally essential in the private sector.

D. HOST COUNTRY AND DONOR ACTIVITIES

1. GOS goals and programs

Senegal's Ninth Development Plan for 1996-2001 builds upon the solid foundation of structural adjustment. The Plan has the following strategic orientations:

- 1. Make the legal framework more appropriate for promoting competition and investment;**
- 2. Reinforce regional integration and international cooperation;**
- 3. Develop private initiatives;**
- 4. Adapt the financial environment to the needs of actors and favor savings;**
5. Improve the quality of basic infrastructures and services;
- 6. Improve decentralization;**
7. Reinforce the education system , particularly vocational and basic education;
8. Reinforce and facilitate access to information and promote social communication;
- 9. Continue the development of human resources and lessen negative demographic trends; and**
- 10. Ensure better NRM for a sustainable development.**

This Plan, like previous ones, is quite broad, reflecting the extent of Senegal's continued poverty. Despite a sophisticated veneer among the French-educated upper classes of society, in Dakar particularly, Senegal is overwhelmingly rural, impoverished and illiterate. Population growth rates and deteriorating environmental conditions in the countryside have moreover brought rapid

urbanization, and the ability of the GOS to provide education, water, electricity, and health services has not kept pace with current demands.

Senegal's overall Development Plan is complemented by other more recent sectoral plans mentioned in the introduction to Part II. The interventions to be implemented through USAID/Senegal's SOs have a clear and needed role. USAID/Senegal's proposed strategy responds in particular to those strategic orientations marked in bold above.

2. International donor activity in Senegal

In 1996, approximately 16% of Senegal's GDP and about 70% of its investment budget was supported by foreign assistance in the form of loans and grants. Most donors, including the United States, believe that support for Senegal's moderate, stable democracy is well-placed and well-deserved. Virtually every sector in Senegal is supported by foreign assistance to some extent, including agriculture and forestry; regional development; macroeconomic management and budget support; natural resources and the environment; health; transportation; good governance; electoral reform; legal reform; and education.

The United States is an influential donor in Senegal, but its efforts alone are seldom sufficient to bring about the major changes required for sustainable development. Donor coordination remains essential for using aid resources most efficiently, and for avoiding redundant programs or competing approaches.

Donors coordinate in a number of venues. For macroeconomic matters, the IBRD and the IMF take the lead with periodic Consultative Group meetings. For all general matters, the UNDP chairs a quarterly meeting of major donors in Senegal to share information. In addition, there are sectoral-specific donor committees that cover areas such as health and decentralization.

USAID/Senegal has been at the forefront of efforts to coordinate donor activities, and will continue to work with the larger community of PHN, NRM and private sector actors to develop a concerted strategy. By emphasizing donor coordination, the Mission seeks to: (a) leverage its increasingly scarce resources; (b) minimize the chance that Senegalese counterparts might take advantage of the multiplicity of donors by playing one donor off another; and (c) promote a more equitable distribution and efficient use of donor resources. During the design of this CSP, strong linkages have been formed in all areas of proposed USAID intervention. Table I.D (*page 9*) shows potential partnerships between USAID/Senegal and other donors for each of the new SOs and Key Intermediate Results (KIRs).

TABLE I.D: POSSIBLE SYNERGIES BETWEEN USAID/SENEGAL’S CSP AND OTHER MAJOR DONOR INTERVENTIONS

SO/ KIR	France	World Bank	European Union	Germany	Japan	Saudi Arabia	Canada	U.N. System
SO1	√	√	√	√			√	√
KIR 1.1	√	√						
KIR 1.2	√	√	√				√	
KIR 1.3	√	√	√		√			√
SO2	√	√	√	√			√	√
KIR 2.1	√		√	√			√	√
KIR 2.2		√					√	√
KIR 2.3							√	
KIR 2.4	√						√	
SO3	√	√	√	√	√		√	√
KIR 3.1		√	√	√	√		√	√
KIR 3.2			√	√				√
KIR 3.3	√	√						√

2.1 Bilateral assistance: the major partners

a. France

France has been the largest bilateral donor in Senegal since Independence, providing \$700 million in the last three years (1994-1996). One third of this amount was dedicated to budgetary support, while the rest aided projects. In addition, \$380 million in bilateral debt and adjustment grants were cancelled as part of a special package of assistance to help offset the adverse effects of the CFA Franc devaluation in 1994.

Sectoral priorities for French activity in the last three years have included:

Education, culture, youth development and health;

Agriculture, forestry, water development, public enterprises, fisheries, urban management, tourism, handicraft industry, energy, and telecommunications; and

Institutional development, including public security, civil service and judicial reform, economic reform, democratization, and decentralization.

For the next three years (1998-2000), these domains will remain priorities, though technical assistance, which has represented the bulk of French aid, will decrease dramatically (from 722 cooperant positions in 1992, to 267 in 1997).

b. Japan

Assistance from Tokyo has increased markedly from very modest earlier levels and will continue to expand. For 1994-1996, Japanese aid was estimated at more than US \$195 million. The main areas of intervention cover agriculture and fisheries, environment, education (about half of total assistance), community development micro-projects, and structural adjustment programs. For the next three years, the following sectors have been identified as additional priorities: potable water, construction of primary schools, primary health care, and the environment.

c. Germany

Thanks to significant increases in recent years, the FRG now ranks as Senegal's third largest bilateral donor. German assistance is channeled through GTZ, the Frederick Ebert Foundation, and the Konrad Adenauer Foundation. Funding for 1994-1996 aid was estimated at US \$150 million, devoted mainly to irrigation, water supply, NRM, education and health, the Manantali Dam, decentralization (contributions from GTZ of \$1.7 million), elections and civil society (through the Frederick Ebert Foundation), employment generation, and support to small and medium-sized enterprises (through the financial cooperation agency, KFW). These areas, in addition to natural resource management, will remain priorities for the next three years.

d. Saudi Arabia

Through the Saudi Development Fund, Saudi Arabia provided \$19 million in loans for 1996, covering programs in agriculture, hydraulics, electricity and road building. Other funding is rumored, but not confirmed.

e. United States

The United States Mission as a whole (Embassy, USAID, Peace Corps, and the U.S. Information Agency) is committed to encouraging economic reform and sustainable growth in Senegal, based on competitiveness and rational use of natural resources; and to strengthening democracy through more effective rule of law, respect for democratic institutions, human rights and the development of human capacities.

The Department of State's priorities for assistance to Senegal are noted in the Ambassador's Statement and generally focus on implementing the U.S. Africa Policy, including the African Crisis Response Initiative, the Partnership for Economic Growth and Opportunity in Africa, and the Africa Growth and Opportunity Act. The programs of USAID, Peace Corps and USIS will mutually reinforce the attainment of these and other agency-specific objectives. In FY 1997 USAID alone provided US\$ 23.1 million in bilateral grant aid to Senegal.

f. Canada

Canada provided \$14 million in assistance to Senegal in 1996, evenly divided between a fund to offset the adverse social effects of devaluation and a program to develop financial cooperatives. Canada's aid focuses as well on education and training, rail transport, research in the primary sector, combatting desertification, developing energy substitutes for fuelwood, decentralization (estimated at US \$6.9 million for 1997/98), water resources, telecommunications development, aid to small enterprises and village associations, and women's training and basic education. Canada currently coordinates donor activities in support of decentralization.

g. Taiwan

Taiwanese aid has targeted road building in the northern region of Senegal, rehabilitation of a health hospital in Ziguinchor, and technical assistance for rice cultivation in Kolda. The country's assistance began in 1996 and its value is not readily available.

h. Italy

In 1994, Italy cancelled US \$11 million worth of debt, easing some of Senegal's budgetary strain. Approximately \$5 million in 1996 was invested in road infrastructure, rice cultivation in the Casamance region, and social development.

i. The Netherlands

Aid from the Netherlands amounted to \$12.7 million in 1996, targeting social development (women's issues and primary health care for rural areas) and forestry.

2.2 Multilateral donors

a. World Bank

The International Development Association (IDA) of the World Bank Group supports numerous projects in Senegal, most with a duration of four to six years and currently falling under the following areas: macroeconomic adjustment and structural reform programs to rationalize the economy and reduce the budget deficit; agricultural sector restructuring and research; decentralization (estimated at a total of \$75 million to support both rural communities and municipalities); infrastructure (road building and sanitation); education and health; and industry, energy, and private sector development. Road and urban employment interventions in Dakar and other cities are funded through a local organization, AGETIP-Senegal. In 1997, World Bank assistance to Senegal amounted to \$583.3 million.

The goal of the Bank's proposed new country assistance strategy (1998-2000) is *alleviation of poverty*, with two sub-goals: (1) *more rapid and sustained growth*, and (2) *social sustainability*. This strategy will involve strategic objectives in the following areas: macrostability, private sector development supporting infrastructure, environmental protection, health and education, social protection (through a community nutrition project), gender services, and rural development. It is expected that the World Bank's portfolio will consist of 23 projects by the end of 2000. Five of these projects will be sector investment operations in the health, education, agriculture, transport, and water sectors. The level of commitment over the strategy period will amount to \$631 million.

b. International Monetary Fund

Senegal's three-year (1994-1997) Enhanced Structural Adjustment Facility (ESAF) from the IMF was structured to support Senegal's adjustment program after the CFA Franc devaluation. Under the ESAF Senegal was accorded access to total SDRs of US \$179 million. The key objective of the IMF-funded ESAF program was to foster economic growth led by the private sector as well as to improve Senegal's fiscal position so that the GOS could reduce its dependence on foreign budgetary support for recurrent expenditures. Currently, a new ESAF arrangement is under development for 1998-2000.

c. European Union (EU)

Under its 8th European Development Fund (EDF) for 1997-2001, the EU targets three major areas:

- *Promoting economic growth.* In the agricultural sector, this includes activities on the left bank of the Senegal river, the Groundnut Basin, and horticulture. Assistance includes setting up a rural credit mechanism to support producer organizations and small rural enterprises;
- *Strengthening the capacity of the public sector in health service delivery and road maintenance;* and
- *Supporting local development through NGOs and local government decentralization, fighting poverty, and promoting gender and environmental issues.*

About \$500 million in grant assistance is available for the next five years.

d. African Development Bank (AFDB)

The African Development Bank (of which the United States is a major shareholder) assists Senegal through development grants and soft loans targeted at urban hydraulics and sanitation (\$14.5 million for 1996/98).

e. West African Development Bank (WADB)

While traditionally not a major donor in Senegal, the WADB approved a \$10.7 million loan for 1996 covering agriculture, artisan activities, road and air transport, and energy.

f. The United Nations system

U.N. agency assistance to Senegal mainly covers public administration and human resources development in the form of technical assistance. Other sectors of involvement include health and nutrition, child survival issues (UNICEF), population, health and nutrition, education and training (UNFPA), and agriculture and forestry (IFAD). The Senegalese Triennial Public Investment Program estimates that U.N. involvement for the period 1998-2000 will total \$43 million.

2.3 Islamic sources

It is likely that Senegal will remain a privileged recipient of Islamic aid, due to Senegal's support for Arab causes. Aid from Arab-Islamic donors is substantial, though fluctuating. In 1996 an agreement was ratified for a \$26 million loan from the Islamic Development Bank for agriculture, cattle farming, water management, anti-salt dams, and other activities. The loans also supported the construction of a 312 km highway connecting Kita in Mali with Saraya in Senegal. In 1996 a \$19 million loan was approved by the Saudi Development Fund to support agriculture, road infrastructure, and energy. The Arab Bank for Economic Development in Africa recently extended a \$2.2 million loan for development of agricultural and rural hydraulics, road infrastructure and sea transport.

E. HOW CUSTOMERS AND PARTNERS INFLUENCED THE STRATEGIC PLAN

From the very inception of development of this CSP, USAID/Senegal decided that this strategy would require new approaches to both design and implementation. Thirty-five years of experience in Senegal have clearly shown that the key to sustainable development is ownership by those concerned, and true ownership is fostered by having a say from the beginning.

USAID/Senegal wanted to tap the opinion and knowledge of all levels of Senegalese society, in addition to involving its usual partners and stakeholders. The many activities undertaken to solicit such wide participation are summarized below:

- The Mission made use of contacts at the highest level of the GOS, including an audience with the President of the Republic and meetings with the Prime Minister and key Ministers concerned with the economic and social development of the country. The purpose of those

meetings was to exchange preliminary ideas on the major development problems Senegal will have to address over the next 25 years and the avenues U.S. development assistance could explore in finding solutions to those problems.

- Three one-day workshops entitled *"Your Vision of Senegal Ten Years Hence"* were conducted with PVOs/NGOs and private sector representatives, the U.S. Embassy community, and GOS officials.
- Semi-structured interviews of over 7,000 Senegalese in all 10 regions of Senegal (referred to as the Customer Survey) was conducted from January 12-19, 1997, targeting rural, peri-urban, and urban populations. The ten survey teams were comprised of personnel from USAID/Senegal, the GOS, donors, and the PVO/NGO community. This large-scale effort allowed the Mission to elicit and record the visions and perceptions of a representative sample of Senegalese society on the future of their country.
- A "Dream Team" of prominent Senegalese thinkers was formed to provide an independent reflection on the future of Senegal. The team's expertise brought new perspectives to the strategy development process and many of their insights were integrated in the political climate study.
- A three-day Strategic Objective Workshop (April 28-30, 1997) was attended by over 200 customers, partners, and stakeholders. From the synthesis of the working groups two draft strategic objectives (SOs) were identified:⁷
 1. Effective and sustainable decentralization in targeted regions; and
 2. Expanded employment opportunities via sustainable private initiatives in targeted areas.

The process and results of the workshop were widely disseminated in the local media, which noted that USAID was now setting a new benchmark for quality donor collaboration and program design.

- In May 1997 a four-person team from USAID/Senegal, led by the Mission Director, traveled to Washington to participate in a Parameters Setting meeting. The purpose of this meeting was to initiate dialogue and obtain concurrence from USAID/Washington for the development of USAID/Senegal's Strategic Plan. Certain issues were raised, and the Mission was given a conditional go-ahead by USAID/Washington to proceed with CSP development.
- Following the Parameters Setting meeting, USAID/Senegal formed focus groups for each of its proposed strategic objectives. Each focus group was composed of USAID staff, partners and stakeholders from the GOS, PVOs/NGOs and private sector representatives, and grassroots organizations. The groups were charged with refining the SO analysis and statements, developing the Results Frameworks, defining some elements of Results Packages and target/performance indicators, and identifying critical assumptions.
- A three-day SO Refinement Workshop, held August 4-6, 1997, was attended by 150 participants, including USAID staff, selected partners/customers, and USAID/Washington visitors.

⁷These draft SOs were subsequently revised and the language changed.

The ensuing interaction between the Mission and its partners, customers, and stakeholders led to the identification of a third SO for the health sector.

- Three five-day Results Framework Development Workshops (one for each SO), involving 60 participants, were held September 8-26, 1997 to refine and finalize work on the strategy frameworks. USAID/W and other experts in the development of Results Frameworks assisted during and after this workshop.
- At the Validation Workshop held October 28-30, 1997, over two hundred participants validated the three Results Frameworks. This final workshop also provided the opportunity to formulate a number of strategy implementation principles and criteria for selection of eventual customers.
- Customer Feedback sessions were conducted December 17-21, 1997 to: (1) provide feedback to the same customers surveyed in January 1997; and (2) explain to them the process that led to the three SOs and Results Frameworks validated during the October workshop. The feedback teams, composed of USAID/Senegal staff and their partners, also solicited feedback from customers on the three SOs and Results Frameworks. As one elderly man eloquently stated, after walking miles to attend the session, *"No one has ever asked our opinions, nor come back to us as you promised you would. We thank you for truly capturing our concerns in your strategic objectives, and encouraging us to articulate and act upon our vision and convictions."*

Some important lessons learned in the Mission's interaction with customers include: (1) the Senegalese are acutely aware of their own problems; (2) they are fed up with waiting for others to deliver on promises and are now ready to take charge of their own lives; (3) they now lack confidence in all development assistance intermediaries, including NGOs; and (4) they have expressed concern that the potential of decentralization might be usurped by existing central elites unless donor assistance is made available soon.

USAID/Senegal's participatory approach to strategy development has important ramifications for the success of the CSP. First, it represents a new vision in a global context of overall reduced development assistance, emphasizing the necessity of creating greater host-country ownership of development activities. Second, with the participatory approach the Mission's priorities are more firmly rooted in the political and social realities of Senegal. Efforts can be directed at the most critical constraints to the country's democratic, economic and social development, and can reflect the best judgments of those most concerned and familiar with the country's development needs.

This customer focus is more fully described in Annex B, the *Customer Service Plan*. The demand-driven approach governing the selection of customers and geographic areas of interventions is described in Part II.

F. SUMMARY OF RATIONALE FOR THE STRATEGY

As noted in the Forward, Senegal is at a development crossroads. The old paradigm of large donor flows acting as a safety net, managed by a statist, centralized bureaucracy, cannot be maintained. Issues of dependency and sustainability must be addressed, as must issues of

Senegal's comparative advantage in an increasingly competitive global economy. In examining how to best respond to these central issues in its new strategy, USAID/Senegal changed its paradigm. With heavy emphasis on partnership and Senegalese ownership, it combined the customer approach outlined above with a series of analytical studies. Noting where other donors were currently working, the Mission capitalized on its prior experience in Senegal and its comparative advantage in choosing areas of intervention.

In the development of the above analysis and the strategy that flows from it, the Mission benefited from numerous studies (cited in the bibliography). Findings from these studies shaped the strategy itself, reinforcing (and in some cases, modifying) the needs expressed by customers. Berg *et al.*, for example, assessed the economic and private sector situation and noted that the United States has a special contribution to make because of its particular entrepreneurial orientation and its vast experience with privatization of services. Gellar, Denoeux, and Kanté, in their separate reports on democracy and governance, noted the importance of giving assistance to Senegal in implementing decentralization and assisting with the electoral process. The Bucknell *et al.* report on the agricultural sector, meanwhile, pointed to the importance of natural resource management as well as the limited possibilities for further USAID direct assistance to agricultural production. The Rideout *et al.* report on the education sector demonstrated that USAID should focus on training and education only within the context of other SOs. Finally, numerous reports on the health and population sector suggested that USAID continue the basic thrust of its past activities, but do so within the specific context of decentralization.

The specifics of USAID strategy mesh well with Senegal's formal development plans and have been tailored specifically in partnership with a broad segment of Senegalese society. In achieving its three SOs, USAID not only has a comparative advantage, but has focused on the areas of highest importance to the Senegalese for the expenditure of its finite resources. SO2, dealing with democracy and governance, responds to the greatest political opportunity in Senegal in decades: the 1996 Decentralization Law. SO1, *increasing income generating activities*, is the backbone of sustainable development and the financing of social services. With Senegal's macroeconomic outlook stabilized, SO1 is both timely and essential. SO3, *increased use of reproductive health services*, remains essential to the Senegalese for improving individual quality of life. Moreover, addressing population issues (including rapid population growth) through SO3 will aid in reducing the demographic pressures undermining sustained economic growth.

To implement this strategy, the Mission will forge a new partnership with the Senegalese to overcome the major weakness of past development assistance: the lack of "ownership" of development programs/activities. USAID/Senegal intends to build its program around participation and partnership, eventually dropping the phrase "donor project" from its collective lexicon. Instead of having "beneficiaries" of "projects," jointly designed programs will be developed with mutually agreed-upon expected results and a clearly-defined exit strategy for Mission involvement in these activities.

Senegal remains important to U.S. foreign policy interests for economic as well as political and other reasons. Senegal has been, and is expected to be, an effective user of development assistance. While there is always the potential for crisis (natural disasters or otherwise), the Mission believes it unlikely that emergency assistance will be required from USAID in the first few years of the strategy period.

The general Mission context of "Reengineering" applies to the development and implementation of this CSP. In spite of initial resistance, USAID/Senegal began applying reengineering concepts over two years ago and has achieved success in streamlined management for results, efficiency, and teamwork. Key ministry officials, NGOs, and other donors have since begun to adopt these techniques for themselves. USAID/Senegal's new CSP is based on a radical shift in the development paradigm, meant to free Senegal from dependency while further increasing the effectiveness of donor assistance.

PART II: USAID/SENEGAL'S PROPOSED STRATEGIC PLAN

MISSION GOAL

Sustainable economic development through broadened social, political, and economic empowerment.

STRATEGIC OBJECTIVES

- SO1: Sustainable increase of private sector income generating activities in selected sectors.*
- SO2: More effective, democratic, and accountable local management of services and resources in targeted areas.*
- SO3: Increased and sustainable use of reproductive health services (child survival, maternal health, family planning, and STI/AIDS) in the context of decentralization in targeted areas.*

A. INTRODUCTION TO THE STRATEGY

The definition of these goals and objectives is the result of not only analysis and the participatory process described in Part I, but also recent changes in Senegal's overall policy environment. Key elements of the national reform agenda constitute an essential enabling environment for attaining USAID/Senegal's objectives. Many are now in place, including the National Environmental Action Plan, the National Health Development Plan, the ONEL, the National Employment Policy, the Women in Development Action Plan, the Petroleum Code, and the law privatizing SENELEC. The most important laws, however, were those dealing with decentralization, enacted by the GOS in late 1996, which have created an environment for profound changes and socioeconomic growth in Senegalese society. The new strategy seizes this opportunity to broaden ownership of development resources and their use.

The focus of this strategy is on empowerment as a means of achieving sustainable development. The GOS has put in place the structure for decentralization and power-sharing, but donor assistance is needed to strengthen the political will and to provide technical advice to fully implement these changes:

- SO1 promotes *economic empowerment* through increasing economic choices related to investing oneself and one's resources in private sector income generating activities;

- SO2 promotes *political empowerment* because it increases political choices related to defining local problems and priorities, and deciding on the application of resources to address them; and
- SO3 promotes *social empowerment* by increasing and expanding access to health services, both public and private.

Cross-cutting themes

The three SOs--increased private sector income generating activities, improved management of local services and resources, and increased use of reproductive health services--are mutually reinforcing and respond to the major problems and opportunities cited in Part I. The synergies among the SOs are explained in many empirical and theoretical social science works over the past 200 years, throughout the past 30 years of USAID development assistance, and within USAID/Senegal's analytical rationales since the early 1980's. For example, in the Senegalese context it is clear that rapid population growth is depressing per capita economic development and putting greater pressure on the natural resource base. More income generating activities will generate wealth that can be used to purchase improved nutrition and health care, while effective decentralization (management of local services and resources) will lead to greater local ownership of both problems and solutions to income generation, natural resource management, and better use of health care services.

In addition to these synergies, there are several themes that provide a common context for implementing the overall strategy. These links ensure that results in one area will support, as well as depend on, results in another area.

Effective *decentralization* is the most important linkage among the three SOs. The implementation of decentralization legislation will essentially change the basis of operation for all grassroots development efforts. However, if the legislation is not implemented in a way that fosters community-based democratic participation, then the goal of improving the lives and economies of the Senegalese people will not easily be attained. On the other hand, if local populations are empowered and the effective exercise of (shared) power is engendered at the local level, then Senegal will see significant progress in increasing incomes, protecting the natural resource base, and improving social and health services.

Income generation, the focus of SO1, is also a cross-cutting theme. Increased income, the first priority mentioned by the Mission's Senegalese customers, is a key factor for ensuring good nutrition and access to effective health care. Under the health objective (SO3), the Senegalese will be increasingly asked to pay for health services. Activities that increase income would thus increase overall access to and use of health services, just as the development of cost-recovery mechanisms in the health care system will permit improvements in the quality of care provided.

An important area of focus for all of the SOs is the better-managed development of an enabling environment for achieving results. The new strategy therefore emphasizes *SO-specific improvements in the policy and regulatory environments*.

Capacity building is a critical cross-cutting theme expressed as a KIR is all SOs. Human resource development is seen as key to achieving the sustainability and empowerment that are central to

this strategy. Whether it is training in literacy, leadership or business management, one of this strategy's key goals is to increase the capacity of the Senegalese to manage their own affairs.

Other cross-cutting themes include *natural resource management* (see below), the *empowerment of women*; participation of *customers and partners*; development of *civil society* and the *private sector*; and *support for NGOs*. Finally, the operational principles of the strategy and criteria for ultimate selection of customers and activities are discussed in detail in Annex B, the *Customer Service Plan*.

NRM as a cross-cutting theme

For communities to sustain their natural environment (a long term effort), they need to satisfy their daily need for income. Giving communities the ability to manage their resources at a local level and gain income from them will increase the likelihood of sustained protection of the environment.

NRM has figured prominently in past USAID strategies in Senegal, and will continue to be emphasized. At issue is the best means for USAID to address the problems and opportunities presented. In the past, focusing on NRM as a sector has not been fully successful. The development and transfer of technology packages has been useful, but not sustainable. The Mission believes that its programming can best improve NRM not with a sectoral focus, already the path of a number of donors, but by addressing the larger context in which NRM operates: the enabling conditions necessary for broad-based use of production practices that increase yields and reduce degradation. For example, once local people and elected representatives become aware of the economic importance of NRM to their lives and livelihoods, then the adoption of NRM practices will be facilitated. SO1 will work to improve the economic conditions for sustainable use of NRM, while SO2 will focus on improving political empowerment so local populations can take fuller charge of their local resources.

The Mission will be best served by using NRM as a model for decentralization (SO2) with links to SO1⁸ as a very useful way of achieving the economic, political and social empowerment that the SOs encompass. For example, rural people are reluctant to take time away from their work to learn about decentralization, voting, building more democratic civil societies, or improving the democratic process in their villages if there are few tangible consequences. However, if D/G messages are packaged around an issue that is important and central to their economic livelihoods (such as access to land), then participation is virtually guaranteed. The Mission has noted that voter participation is higher in areas where NR assistance has been provided

Other examples of the spin-off effects of using NRM as a means of accomplishing the objectives of this CSP include:

- Providing greater and more diverse economic opportunities that will help relieve pressures to over-exploit and degrade the land;
- Promoting democratization in the rural population;
- Building confidence and advocacy in rural communities through involvement in NRM issues and NR-based enterprises; and

⁸A 1998 USAID/Senegal paper, *Assessment of Tropical Forests and Biodiversity*, provides an in-depth discussion of NRM issues.

- Slowing natural resource degradation.

The Mission already has a record of linking NRM with decentralization as well as private sector development through the Community Based Natural Resources Management (CBNRM) and the Kaolack Agricultural Enterprises Development (KAED) activities currently implemented under the terminating strategy. CBNRM and KAED have established enabling conditions for local-level empowerment, including the devolution of authority to local levels; support for greater participation, particularly among women; and the strengthening of local organizational, technical, literacy, managerial, and leadership skills. These skills are critical for better governance and broad-based democratic processes, as well as greater economic opportunities. The Mission intends to build on these successes in its new strategy.

B. DEMAND-DRIVEN STRATEGY

USAID/Senegal's strategy for the years 1998-2006 is based upon the concept of "demand": demand by customers determines what the Mission does, when it does it, where it does it, and how it does it. Implicit within this context of demand is working in partnership with customers throughout all stages of the strategy. Explicit is the fact that the Mission cannot meet every demand: limitations are necessitated by a number of factors.

Demand during strategy development

As has been discussed elsewhere, this strategy was developed in strong consultation with USAID/Senegal's partners. Using customer surveys, studies, focus groups and a series of seminars, strategic choices were made based on priorities established by these partners and customers. USAID/Washington is among these partners.

The Mission will follow a similar process in the development of its results packages prior to the signing of the strategic objective agreements. Due to contracting constraints, participation at this level will have to be more limited.

Demand during implementation

It is apparent that USAID/Senegal cannot cover all of Senegal during the period of this strategy. However, to achieve the impact established by the results framework, it must work in areas large enough to include a significant number of people. In addition, certain activities will be conducted at the national level. Consequently, the Mission will implement its strategy at both the local and national levels, but will *not* pre-select the local levels.

National-level program

The policy dialogue to be conducted at the national level under each strategic objective will be determined in two ways. First, specific areas for discussion will be developed in consultation with partners, including other donors. Second, as important constraints are identified throughout the local-level implementation period, they will be included in the ongoing policy dialogues. In addition, it is evident that certain global activities, such as provision of contraceptives, will continue to support the rest of the strategy.

Local-level program

Local-level programs will be based on the submission of proposals from local entities for the achievement of specified results. In order to achieve the necessary impact, the local administrative entity for SOs 1 and 2 will be either the *Commune* (urban municipality) or the *Conseil Rural* (CR, or county). For SO3 the applicable entity will be the health district, which can include more than one *Commune* or CR.

USAID will develop the basic "package" of results--probably including elements of all three SOs--in which the local entities must be willing to invest. During an Outreach Campaign, this package will be publicized throughout Senegal in local languages, along with the procedures for selection and participation in the strategy program. Where needed, technical assistance will be available to help communities develop proposals for submission to USAID. Selection of proposals will be based on an agreed-upon set of principles and selection criteria. Continuation under the program will depend upon results achieved as well as adherence to the principles. *(See Annex B for further discussion of preliminary principles, criteria, and the proposed implementation plan.)*

Limitation to the demand-driven approach

The demand-driven approach as described above is limited by several factors. For example, both Senegal and the United States have overall strategic development plans as well as sector-specific plans that must guide the implementation of any strategy. In addition, the need for impact and results combined with management constraints will limit the number and types of units to which one can respond. The availability of funds and earmarks imposes other types of constraints. Finally, absorptive capacity poses its own set of limitations. Taking into account these and other limitations poses a challenge for USAID/Senegal as it implements its demand driven strategy.

Defining base-line data under a demand-driven approach

The Mission's demand-driven approach continues its sharpened focus on customers as a means of attaining sustainability. Essentially, demand will determine both the customers and the geographic areas in which the Mission can achieve specified results. In many ways, a demand-driven approach has already been used in determining SOs and Key Intermediate Results (KIRs). The difference is that this strategy will not identify the location of the target populations and will not develop base-line data until after the Results Packages (RPs) are completed and the Outreach Campaign conducted.

The competitive process outlined here and in Annex B is intended to identify those potential partners and customers who are most interested in contributing to and achieving the results spelled out in this CSP. The results will be theirs as well as USAID's.

C. LINKAGE TO AGENCY GOALS AND OBJECTIVES

USAID/Senegal's strategy responds to the constraints and opportunities discussed in Part I, and reflects both the priorities of the Agency and those of USAID's customers and development partners. The collaboratively-selected strategic objectives are those that the Mission believes are

most appropriate, achievable, and sustainable. Importantly, they are also within USG manageable interest and comparative advantage.

In late 1997, the Agency redefined its development objectives as:

- (1) Broad-based economic growth and agricultural development encouraged;
- (2) Democracy and good governance strengthened;
- (3) Human capacity built through education and training;
- (4) World population stabilized and human health protected;
- (5) World environment protected for long-term sustainability;
- (6) Lives saved, reduced suffering, and re-established conditions for political/economic development following natural or man-made disasters; and
- (7) USAID's position as a premier bilateral development agency maintained.

USAID's proposed strategy in Senegal responds to all of the above except for Goals 3 (education) and 6 (humanitarian and transitional assistance). Table II.C (*next page*) describes the specific areas of overlap between the Mission's strategy and Agency goal and objectives.

In line with current strategy guidance, the Mission's proposed SOs are not intended to solve all the problems faced by Senegal, nor do they represent the exclusive means for achieving broad-based sustainable economic development. Both the SOs and the Key Intermediate Results (KIRs) selected to meet them are intentionally and realistically limited in scope. They conform with USAID resource limitations and build upon USAID's comparative advantage. By working in four strategic assistance areas--economic growth, democracy, environment, and health--the Mission's strategy responds to the current Agency-wide strategic plan as well as to GOS priorities. The three SOs complement each other in the attainment of *sustainable economic development through broadened social, political, and economic empowerment*.

This *goal* reflects thirty-six years of common understanding between the United States and Senegal as well as the quality of USAID's relationship established with Senegalese customers and partners.

TABLE II.C: CSP LINKAGES TO AGENCY GOALS AND OBJECTIVES⁹

AGENCY GOAL	AGENCY OBJECTIVES
Broad-based economic growth and agricultural development encouraged.	<ul style="list-style-type: none"> • Critical markets expanded and strengthened. • More rapid and enhanced agricultural development and food security encouraged. • Access to economic opportunity for the rural and urban poor expanded and made more equitable.
Democracy and good governance strengthened.	<ul style="list-style-type: none"> • Rule of law and respect for human rights of women as well as men strengthened. • Credible and competitive political process encouraged. • The development of politically active civil society promoted. • More transparent and accountable government encouraged.
Human capacity built through education and training.	<ul style="list-style-type: none"> • Access to quality basic education, especially for girls and women, expanded. • Contribution of institutions of higher education to sustainable development increased.
World population stabilized and human health protected.	<ul style="list-style-type: none"> • Unintended and mistimed pregnancies reduced. • Infant and child health and nutrition improved and infant and child mortality reduced. • Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and child birth reduced. • HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced. • The threat of infectious diseases of major public health importance reduced.
World environment protected for long-term sustainability.	<ul style="list-style-type: none"> • The threat of global climate change reduced. • Biological diversity conserved. • Sustainable urbanization including pollution management promoted. • Use of environmentally sound energy services increased. • Sustainable management of natural resources increased.
Lives saved, suffering reduced, and conditions re-established for political and economic development following natural or man-made disasters.	<ul style="list-style-type: none"> • The potential impact of crises reduced. • Urgent needs in times of crisis met. • Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established.
USAID's position as a premier bi-lateral development agency maintained.	<ul style="list-style-type: none"> • Responsive assistance mechanisms developed. • Program effectiveness improved. • U.S. commitment to sustainable development assured. • Technical and managerial capacity of USAID improved.

SO relevance to Agency goals and objectives

SO1 supports the Agency's objectives of "access to economic opportunity for the rural and urban poor expanded and made more equitable" and "critical markets expanded and strengthened." It

⁹ Note: "Strike-through" text indicates Agency goals or objectives that are not included in USAID/Senegal's CSP.

directly addresses the policy and institutional constraints that have inhibited private sector growth, employment, and income. To achieve economic empowerment, foreign and domestic small businesses and microenterprises require an improved policy and regulatory environment, viable access to financial resources, and training in entrepreneurial and business skills. Direct support provided to businesses, business groups, and entrepreneurs is designed to provide opportunities for income generating activities.

SO2 addresses political empowerment in the context of decentralization: an area of great opportunity for governance and democratization linked to economic development. SO2 conforms to the Agency's objectives of *"more transparent and accountable government institutions encouraged"*, *"the development of politically active civil society promoted"*, and *"sustainable management of natural resources increased."* SO2 emphasizes improved governance and participation by strengthening NGOs, farmers' organizations, environmental action groups, and business associations. It further supports decentralization in the priority area of NRM.

SO3 addresses social empowerment in the context of decentralization and supports the Agency's goal of *"world population stabilized and human health protected"*. In a country where women are responsible for a large proportion of informal income generating activities, efforts to provide family planning and improve maternal and child health are all the more critical. For years, USAID assistance has been the key to the success of health and population activities in Senegal. The Mission has a clear comparative advantage in supporting service delivery systems and providing appropriate, high quality technical assistance. No other donor in Senegal currently can provide the same level of expertise in social marketing and health systems strengthening. Country and customer needs, USAID's comparative advantage, and host country commitments argue strongly for the Mission's proposed interventions in the health sector.

All three SOs, and the Mission's overall developmental approach, support the Agency's goal of *"remaining a premier bilateral development agency"*. Among other donors in Senegal, USAID is generally recognized as a leader in innovative, performance-based development assistance. The Mission's proposed demand-driven approach is an example of how USAID/Senegal *has identified better ways of doing business and adopted "best practices"* in support of the Agency's objective of *"responsive assistance mechanisms developed."*

Strategic Objectives focused on agriculture or education have not been included in the Mission's new strategy, *per se*. For the foreseeable future, agricultural production will play a major role in the Senegalese economy, but in the Mission opinion, it will not be a major engine of new employment or incomes. The food grain sector, in particular, has been deeply affected by several donor-inspired reforms (including those of USAID), but the full impact of those reforms has not yet materialized. Clearly, these reforms are necessary, but not sufficient. Moreover, there is currently intense activity among other donors in this sector. For these reasons, USAID will focus on the removal of other constraints to agricultural intensification and the use of sustainable production practices. Examples include building links between the rural sector and commercial lenders, strengthening women's roles in the marketplace, improving information flows, and fostering greater efficiency in the marketing and processing of inputs and outputs.

While the troubled formal educational system remains a constraint to sustainable development, the Mission has decided not to conduct activities in this sector. Instead, France and the World Bank are contributing much-needed educational planning assistance, joined by many other donors

who provide direct support to school operations. Because of the magnitude of aid from these other sources, the Mission feels it has somewhat less of a comparative advantage.

D. NEW PARTNERSHIPS INITIATIVE (NPI)

The Mission's three SOs fully incorporate the development philosophy of NPI, which promotes NGO empowerment, small business partnership, democratic local governance, and the synergies between them. SO1, by targeting individuals, associations, and SMEs, including microenterprises, will encourage small business partnerships. Vertical and horizontal communication among suppliers, producers, and outlets will also be encouraged. SO2 focuses on democracy/governance and improved local management of resources. This includes development of civil society as active partners in local governance. SO3 focuses on utilization of decentralized health services. Once again, this will be achieved by developing the public, private, and non-governmental sectors and their interactions.

The Mission's approach is built upon lessons learned from a number of activities, including the \$21 million PVO/NGO activity, which from 1994 to 1998 has strengthened the capacity of local groups and communities to conceive and execute development activities. As of 1997, there were 391 PVO/NGOs operating in Senegal, reflecting substantial growth in the late 1980s. Some of the important lessons learned include:

- *Motivation.* Results are much more likely to be achieved among low income people if income generating activities are integrated into the assistance.
- *Collaboration between NGOs and GOS decentralized technical services.* One of the typical problems of development assistance has been that after donor funding for NGOs and contractors runs out, the activities must be continued by the people themselves, with help from government technical services. USAID/Senegal's PVO/NGO Support Program overcame this problem by involving government officials throughout the process.
- *Customers' contributions.* Required contributions in cash and/or in-kind were an indication of customer commitment and helped create ownership from the outset of the activities.

STRATEGIC OBJECTIVE 1

SUSTAINABLE INCREASES IN PRIVATE SECTOR INCOME GENERATING ACTIVITIES IN SELECTED SECTORS

Ndimabal nàcìfek loxo borom.

Help yourself first before asking for assistance.

Overview: USAID/Senegal's January 1997 nationwide customer survey revealed that most Senegalese placed the highest priority on economic empowerment because of its relevance to their daily needs and concerns. Out of the eight groups in the April workshop that proposed a strategic objective for future USAID consideration, five came up with economic growth or private sector-related objectives, with a focus on employment and income. USAID/Senegal agrees with these priorities, and therefore proposes as its first SO, sustainable increases in private sector income generating activities in selected sectors. The natural resource (NR) sector will be one of the targeted areas, addressing both the need and potential for improved natural resource management (NRM). SO1 is within the Mission's manageable interest and comparative advantage, and supports the GOS' Economic and Social Development Plan, which focuses on the same issues. In January 1998 the USG was selected to head the donor coordinating group on assistance in support of private sector development. This is an honor and an opportunity given that the IBRD, the French, and the EU are larger players in this sector.

1. Problem analysis

Senegal is among the world's poorest countries, with a growing population placing greater demands on an already deteriorating natural resource base. Despite improvements in the macroeconomic climate following the CFAF devaluation in 1994 and other structural and economic reforms, most people have yet to experience tangible improvements in their daily life.

In Senegal, economic growth has not yet "taken off" in a broad-based and sustainable way. While there have been clear advantages to political stability, it has also protected the power and privilege of the bureaucracy and the economic elite, inhibiting broad-based economic growth. Currency devaluation and other economic reforms improved growth in 1995 and 1996, but current projections show slowing of growth.

A recent study headed by Elliot Berg concluded that a slower economic growth rate is not surprising. Recent improvements in Senegal's economy are neither irreversible nor automatically sustainable. The challenge is to build upon the sound macroeconomic climate, continue regulatory reforms, and leverage current economic opportunities within the context of decentralization. This will promote growth and employment particularly in the entrepreneurial segments of the economy.

The Mission believes that Senegal is at a crossroads. Opportunities exist to bolster economic growth from the grassroots level while continuing improvements at the policy and macroeconomic level. Without concentrated effort to reverse short-sighted bureaucratic regulations (which are being perpetuated and even re-introduced), economic empowerment will not reach the majority of Senegalese. Some of the factors affecting the current economic climate in Senegal include:

- The currency devaluation of 1994 and ensuing economic liberalization;

- A growing acknowledgement that the highly centralized government is incapable of creating economic growth, or even providing effective social services to the majority of Senegalese, and that the private sector must be encouraged to take the lead through improvements to the business environment;
- Existence of opportunities, even in poor areas, for income generation from small NR-based and other private sector businesses to provide goods and services that improve the quality of life for the poor;
- A growing understanding of the critical role of improved NRM technologies and practices to increasing economic opportunities; and
- Decentralization, which provides a new framework for partnership and initiative within which private income-generating activities can operate for the benefit of the poor in rural and peri-urban areas.

SO1 has been designed to provide the essential ingredients for greater access to economic options and broader-based economic growth by building on the success of past USAID activities in policy reform, improved NRM, and overall private sector development. This SO provides a comprehensive and continuous approach to: strengthening local business associations; identifying and documenting priority concerns; proposing solutions; debating the issues in an open and participatory manner; and developing and implementing strategies to improve the policy/regulatory environment within the context of decentralization.

The linkage between SO1 and SO2 is critical. Development literature has demonstrated a high correlation between economic growth and good governance/democracy, and thus widespread comprehension of a more participatory democratic process, including transparency in government and private sector activities, must become the norm.

The sectors targeted by this SO will be shaped to a large extent by the demand expressed by potential customers and partners. In addition to the criteria for selection of customers/partners provided in the Customer Service Plan, USAID will exclude assistance to those sectors that are restricted by U.S. law (e.g. narcotics, crops that compete with those in the United States, or activities that use child labor). In addition, USAID will not work in sectors where other donors have a comparative advantage (such as pelagic fishing and rice production/processing along the Senegal River).

2. Targeted customers

SO1 will support promising income generating activities and will specifically target those benefitting youth and women in rural, urban, and peri-urban areas. The Mission will focus in particular on:

- Activities undertaken by individuals and community groups;
- NR-based enterprises, including family farm operations;
- Microenterprises (employing up to ten people with modest investment); and
- Small and Medium Enterprises (SMEs) employing 5 to 100 employees with under \$800,000 in equity.

3. Critical assumptions

The Mission, in consultation with its Senegalese customers and partners, has identified several critical conditions that will have an impact on the success of SO1:

- The GOS continues to emphasize the private sector as the engine for economic growth;

- Transparent and sound macroeconomic management, as well as political and social stability, prevail;
- Senegal's external partners continue their cooperation;
- Investments in basic infrastructure to support economic growth increase; and
- Access and ownership of property, including land, is expanded and secured.

Above all, the political will to address the numerous constraints to broad-based and sustainable economic growth in Senegal will be of greatest importance to the success of this SO. The Mission is not leaving the critical assumptions pertaining to political will to chance. Through synergistic linkages between SO1 and SO2, including information systems, focused analyses, and media development, the Mission will help strengthen Senegal's civil society, facilitate effective advocacy, bolster political will, and appeal to public opinion.

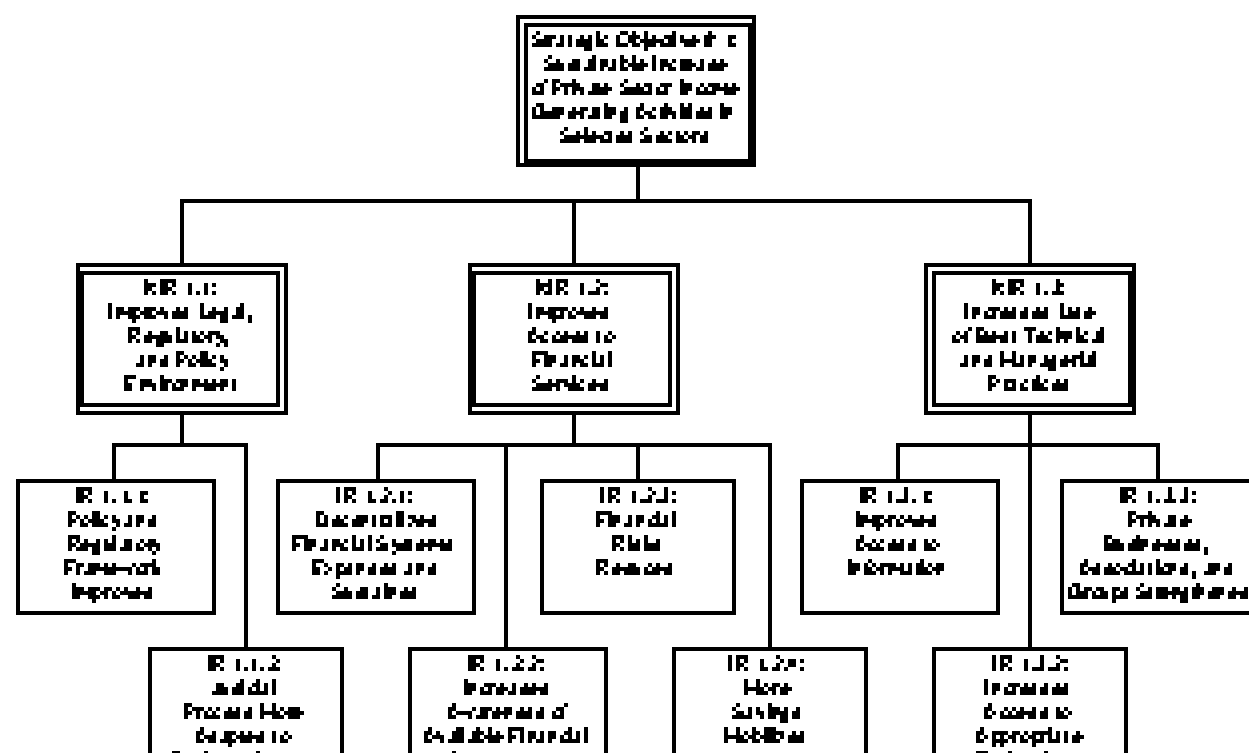
4. Causal relationships within the Results Framework

USAID/Senegal, in collaboration with its customers and partners, has defined three interrelated and mutually reinforcing KIRs to achieve SO1. These focus on the improvement of the legal, policy and regulatory environment, access to financial services, and use of the best technical and managerial practices.

As an example of the causal linkages among the KIRs, the Mission notes that nearly all workers in Senegal complain about a lack of affordable credit. Yet they may not fully understand that improvements in the policy and regulatory climate could reduce defaults, reduce red tape, and thus lower the rates of interest on borrowed capital. Also, a solid enabling environment and affordable credit will not stimulate more income generating activities unless the Senegalese have sound business ideas that can make money.

USAID/Senegal's strategy incorporates an integrated and well-balanced "top-down/bottom-up" approach to achieve not only SO1, but also interrelated elements of SO2 and SO3. USAID/Senegal will develop "top-down" programs aimed at improving the policy, legal, and regulatory environment. "Bottom-up" programs will provide direct support to small businesses, microenterprises, community or individual activities, and associations of such enterprises.

STRATEGIC OBJECTIVE #1: RESULTS FRAMEWORK



KIR 1.1 Improved legal, regulatory, and policy environment

The legal, regulatory, and policy environment is perhaps the most essential component for successful private sector income generation. For example, an open, transparent, and accessible business investment environment (a level playing field) provides the basis for individuals to identify opportunities that will create income and/or employment.

With NR-based activities, for example, improved government and/or community regulation, management and oversight will greatly help minimize abuses of the environment.

Critical assumptions for this KIR include:

- Individuals and groups will be motivated to organize and invest in economic activities if the enabling environment permits;
- Economic opportunities will in fact exist;
- Entrenched economic interests can be convinced to support reform; and
- Political, administrative, and social cultures accept and practice greater transparency and accountability.

Two Intermediate Results (IRs) will support the achievement of this KIR.

IR 1.1.1 Policy and regulatory framework improved

Despite progress in improving the business climate, a series of studies (including those by Berg, Bucknall, Gray, Gabbois, Oyinlola, Kelly) have confirmed that private sector development remains stalled by numerous constraints. This IR includes reduction of the high transaction costs, for example, that are incurred by entrepreneurs when dealing with regulations and bureaucratic procedures. Policies will be changed so that they no longer favor (through taxes and tariff privileges) some domestic industries over importers and new entrants. Disincentives to employment creation, growth, and economies of scale will be reduced by making sure that microenterprises and SMEs pay their fair share of taxes. While the existing investment environment adversely affects the private sector as a whole, it particularly affects small and microenterprises. Therefore, the existence of a more supportive policy and regulatory framework will significantly assist these groups.

IR 1.1.2 Judicial process more adapted to business needs

Business people frequently complain that their planning and decision-making are impeded by time-consuming disputes with unpredictable outcomes. This IR will reduce judicial constraints to business activity, particularly those relating to labor disputes, commercial disputes, and litigation between banks and customers. Key areas of concern include the timeliness, predictability, and implementation of judicial decisions.

KIR 1.2 Improved access to financial services

This KIR will improve financial resources, systems and services for microenterprises and SMEs. While Senegal's financial sector has relatively high liquidity, few small businesses are adequately serviced. Banks generally consider small business loans to be too risky and costly to administer. Credit union legislation issued in 1995 aims at encouraging the development of a Decentralized Financial System (DFS) to provide innovative ways to meet the savings and credit needs of small businesses.

Critical assumptions for the success of this KIR include:

- The sustainability of the financial system will not be undermined by subsidized credit that may come from non-USAID sources;
- Macroeconomic conditions remain favorable, thus reducing financial risks; and
- The government does not forgive loans, providing a disincentive for repayment.

This KIR will be achieved through four IRs:

IR 1.2.1 Decentralized Financial System (DFS) expanded and sustained

The DFS, which includes credit unions, credit cooperatives and micro-lending programs, has gained importance over the last two years. The number of savings and loan networks rose from 13 in 1993 to 30 in 1996 and the GOS reported that DFS clientele went from 45,000 individuals in 1994 to 100,000 individuals in 1996. However, only a limited number of geographical areas are well-covered by the DFS. Rural NR-based enterprises are notably under-represented in access to financial services. In addition, only a few of the institutions are receiving direct support through PVO/donor-funded projects, and even for these, there is no guarantee of financial viability once the funding terminates. This IR will therefore focus on increasing outreach and achieving financial viability of the DFS.

IR 1.2.2 Increased client awareness of financial instruments

An important component of increased access is the client's knowledge of service availability. Information about both the system and its resources will be disseminated and understood.

IR 1.2.3 Financial risks reduced

Banks often argue that small business clientele are risky because of the poor quality of applications and the lack of collateral and marketable assets. A guarantee scheme, combined with training programs, will help reduce the risk and increase the understanding about small businesses.

IR 1.2.4 More savings mobilized

The low level of savings mobilized by the DFS remains a key weakness. The amount of savings collected in 1996, for example, totaled about \$11 million, 85% of which was collected by 5 out of the 30 existing financial networks. Even for the highest-performing micro-lending institutions in Senegal, savings mobilization is viewed as the greatest challenge in their efforts to achieve sustainability. This IR will attempt to rectify the problem by introducing new savings programs and accounting systems.

KIR 1.3 Increased use of best technical and managerial practices

This KIR focuses on the essential human resource skills required to generate successful enterprise activities. Building and supporting these skills among potential and practicing entrepreneurs is a key element of SO1 because even the most innovative financial services are not sufficient without the application of appropriate technical and managerial practices.

Critical assumptions include:

- Senegalese entrepreneurs wish to improve their technical and business skills;
- Appropriate training mechanisms exist and will be used; and
- Family and other social demands will not decapitalize the business;

Three IRs support the achievement of the KIR:

IR 1.3.1 Increased access to information

Successful businesses require good information for decision making, especially in the areas of identifying new business opportunities, marketing, appropriate NRM practices and other technologies, product development, and management. This IR will improve access to information using trade-specific media and the internet. Public debate and consensus building on policy reform will also be fostered by improving the information content of the local media. Many activities under this IR will be coordinated with those of the other two SOs.

IR 1.3.2 Increased use of appropriate technology

Appropriate technologies concentrate on those choices that are cost-effective, generally favor labor over capital for economies like Senegal's, and are easier to produce and maintain. The competitiveness of Senegal's products is dependent upon using appropriate technologies. The Mission's program will therefore provide information and access to appropriate technologies for SME development. For example, USAID/Senegal will intensify existing efforts to increase use of improved NRM technologies and practices with some modifications to the on-going Community-Based Natural Resources Management (CBNRM) activity.

IR 1.3.3 Private businesses, associations, and groups strengthened

This IR will strengthen training and support for entrepreneurs. Services will be provided by private consultants, NGOs, community programs, and financial institutions. As part of this IR, business management and technical skills such as literacy, numeracy, accounting, marketing, agricultural processing, input supply and purchasing, and inventory management will be enhanced.

5. Commitment and capacity of customers/partners

Since the devaluation of the CFAF, the GOS has formulated a comprehensive package of policy reforms to support the development of private initiatives. Policies already implemented include price and trade liberalization, reform of the labor code, and the abolition or renegotiation of special agreements under which the GOS conferred special protection, subsidies, and tax exemptions to enterprises.

In the spirit of NPI, the GOS has promoted a climate of dialogue with business associations and social actors. For example, the Focus Group for Private Sector Competitiveness and Growth, consisting of representatives of the GOS, the private sector, and trade unions, was established to discuss proposed measures to improve the policy environment. The GOS has also established a Private Sector Foundation to serve as an intermediary between business service providers and enterprises that need technical assistance. Finally, the GOS has set up a Legal Reform Committee to improve the legal framework for business.

USAID/Senegal's customers and partners actively assisted in the design of this SO. Participants in the various preparatory workshops included PVO/NGOs, relevant ministry experts, private business service providers, and others. The participatory nature of the strategy development has encouraged not only commitment, but ownership in the formulation of USAID/Senegal's new strategy.

6. Donor activities in the SO

The principal donor providing support to the private sector is the World Bank, which sponsored a Private Sector Adjustment and Competitiveness Program in 1994 as an accompanying package to the CFAF devaluation. The Bank is also concluding an Energy Sector Adjustment Program with the intent of liberalizing the sector and reducing energy costs, a major obstacle to private sector growth. In 1997, the

IFC opened an office in Dakar to respond to the financial needs of SMEs. Two new activities will likely be sponsored: an Investment Support Project and an Export Promotion Project to support non-traditional exports.

After successfully completing its 1994/1997 Enhanced Structural Adjustment Facility (ESAF), the IMF is considering in early 1998 a new program that centers on a "new generation of reforms" with a declared objective of promoting the private sector, alleviating poverty, and strengthening governance.

A number of other donors, as indicated in the following charts, are providing support to the private sector either on a nationwide basis or in selected geographic areas. Most have targeted microenterprises and SMEs. Their support focuses mainly on lines of credit and/or technical assistance. However, the implementation of donor lines of credit is hindered by a lack of intermediate financial institutions.

A survey of savings and credit schemes cited in a recent World Bank study found 30 active programs but only 3 that have any significant capacity to extend a large volume of loans or that have prospects for achieving financial sustainability: (i) the *Crédit Mutuel du Sénégal (CMS)*, a French-funded credit union that has been selected by the International Fund for Agricultural Development (IFAD) for the implementation of the financial component of its Rural Microenterprises Project; (ii) the Village Bank Project conducted by Catholic Relief Services (CRS) under the USAID-funded PVO/NGO Activity; and (iii) the *Alliance de Crédit et d'Épargne pour la Production (ACEP)*, a former USAID-supported (1985-1993) micro-lending program that is viewed by many observers as the "best practice" in the field of micro-lending. ACEP has demonstrated a capacity to mediate successfully credit relationships between donor financiers and small and microenterprises.

Donor coordination of private sector activities and policy recommendations has been particularly difficult. The status quo is protected by vested interests and the inclinations of powerful businesses and their benefactors to remain in control. However, forces of change include globalization and increasing pressure from those who are blocked by the regulatory environment and lack of knowledge about economic options. The USG, while not the largest or most influential player in Senegal's economy, is likely to take the lead in donor coordination related to private sector income generation. As the Ambassador's opening statement indicates, the State Department is placing particular emphasis on seeing Senegal develop a more vibrant and independent economy.

Overview of Donor-funded Activities to Support the Private Sector

I. Multilateral donors

Donor	Project Title	Nature of Activities	Targets	Geographic areas	Completion Date
AFDB	FPE	Line of Credit	All types of enterprises	Nationwide	1998
EUROPEAN UNION	COPARE	Line of Credit	SMEs	St.Louis; Ziguinchor; Dakar; Kaolack; Kolda	2001
IBRD	Private Sector Investment Project	Investment Promotion	All types of enterprises	Nationwide	2002
	Export Development Project	Export Promotion	Non-traditional Exports	Nationwide	2002
IFAD	Rural Micro-enterprise Project	Micro-lending	Rural Micro-enterprises	Tambacounda Kolda; Kaolack; Fatick	2002
UNDP	SMEs Support Program	Technical Assistance	SMEs	Tambacounda St-Louis	2001
WADB	Credit Artisanal	Line of Credit	Arts & Crafts	Nationwide	2002

II. Bilateral donors

Donor	Project Title	Nature of Activities	Targets	Geographic areas	Completion Date
CANADA	Rural Entrepreneurship in the Niayes	Promotion of Entrepreneurship	Small businesses in horticulture and NRM	Thies; Louga; St.Louis	2002
	Rural Entrepreneurship in Kolda	Promotion of Entrepreneurship	Small businesses in forestry	Kolda	2002
	PAMECAS	Micro-lending	Micro-enterprises	Dakar; Thiès; Louga; St.Louis; Kolda; Tambacounda	2002
FRANCE	PAME	Line of Credit	Micro & small businesses	Dakar	1998
	PAMEC	Technical Assistance	Arts & Crafts	Thiès-St.Louis	2001
	SME Project	Line of Credit	SMEs	Thiès	1998
GERMANY	Employment Generation Program	Support to SMEs	SMEs in public works	Nationwide	1999
ITALY	Commodities Aid Program	Training	SMEs	Dakar	1998

7. Illustrative approaches

KIR 1.1: In close collaboration with other donors, USAID/Senegal will continue its policy dialogue with the GOS to remove some of the major constraints to private sector development. USAID/Senegal will consider a Non-Project Assistance (NPA) with conditioned policy grants aimed at encouraging the GOS to improve the business environment, if funding permits (*See Part III*). USAID/Senegal will complete an Investment Barrier/Investment Road Map Survey in collaboration with other donors to identify other key constraints. The Mission will finance research and technical assistance to strengthen some key public institutions (e.g. the Economic and Social Council, etc.) that help assure a level and open playing field for the private sector. Technical assistance programs will train judges in commercial law and support private Arbitration Centers.

KIR 1.2: Building on the success of past activities to finance micro and small businesses, USAID's suggested activities include: a) replicating the ACEP experience, building on existing savings and credit systems to expand village banks with a focus on financial services; b) building upon KAED's credit program which demonstrates to commercial banks that rural producers-- both men and women-- are reliable and profitable partners; c) technical assistance to train DFS managers, expand savings services, and enforce regulation; and d) implementing a loan guarantee mechanism to increase access to formal bank services by lowering their perceived risk in lending small amounts to new clients.

KIR 1.3: USAID/Senegal will finance assistance that focuses on technical and entrepreneurship training. Activities might include workshops to bring together established and aspiring entrepreneurs, focusing on entrepreneurial spirit, management tools and techniques, and business plan development. Support would also be provided to strengthen the institutional capacities of professional associations. Further assistance would be offered to support public education about how free markets operate and the appropriate role for government. In the NRM sector, activities proven to be successful under CBNRM and the KAED Activity will continue to focus on the use of improved NR technologies and the translation of NRM-based initiatives into viable profit-making enterprises.

8. Sustainability

The GOS policy statement issued during the last Consultative Group meeting (1995) clearly underscored the primacy of the private sector in the economic growth process. The GOS is moving towards a limited role of promoting a peaceful and stable political climate, maintaining and developing public infrastructure, and ensuring a supportive environment. SO1 will support the GOS in its continuing transformation from a centralized, controlling economy to one that is more open, efficient, and dynamic.

The emphasis on customer and partner involvement in all stages of the strategy formulation process is the best insurance that SO1 will be sustainable. Throughout the implementation period, it will be the customers and partners who propose activities and support their implementation through financial or in-kind contributions.

9. Expected magnitude of impact

USAID/Senegal's past and current experience under the ACEP, KAED, RSA, and CBNRM activities, combined with expected trends in Senegal, provide a fairly sound basis for anticipated magnitude of impact under this SO.

Under a low funding scenario (*see Part III*), SO1 is expected to benefit a total of 1,000 SMEs employing 10,000 people and some 30,000 individuals involved in income generating activities. In addition, policy reforms to be put in place over the eight-year implementation period should improve the business environment, enabling an increase in the number of SMEs from 2,500 to a total of 5,000, while the clientele of the DFS involved in income generating activities (microenterprises and community groups) would increase from 100,000 to 175,000. In total, SO1 would directly benefit at least 40,000 people (of whom 50% would be women entrepreneurs) through financial services, training, and technological support. A high funding scenario involving an NPA for policy reforms (e.g., tariff reductions and harmonization with neighboring countries, commercial law reforms, and more efficient land titling) would increase the impact of SO1.

10. Performance indicators

SO1 Sustainable increases in private sector income generating activities in selected sectors

Incomes increased by \$80 million through supported activities;
1,250 SMEs and 3,200 microenterprises created;
Ratio of private investment to GDP increased from 13% to 17%.

Cost: \$70.4 million over 8 years

KIR 1.1 Improved legal, regulatory and policy environment

Proportion of surveyed economic agents that report improvement in the business climate;
Average time to resolve business litigations;
Average time for new businesses to register;
Average costs for new businesses to register;
Number of public enterprises privatized;
Value of public shares transferred to the private sector.

IR 1.1.1 Policy and regulatory framework improved

Number of firms/products granted tariff preferences;
Selected improvements in the tax code;
Selected improvements in the customs code;
Number of investment incentives rationalized.

IR 1.1.2 Judicial process more adapted to business needs

Number of arbitration centers established;
Number of cases submitted to arbitration centers;
Number of distressed enterprises assisted.

KIR 1.2 Improved access to financial services

Value of credit extended;
Number of loans extended.

IR 1.2.1 DFS expanded and sustained

Number of DFSs recovering at least 100% of costs;
Number of people benefiting from loans;
Number of financial intermediaries;
Loan repayment rate.

IR 1.2.2 Increased awareness of available instruments

Number of interviewees aware of two financial instruments.

IR 1.2.3 Financial risks reduced

Number of loans made under financial guarantee programs;
Value of loans extended under financial guarantee programs;
Change in the collateral requirement;
Number of trainees under financial guarantee programs.

IR 1.2.4 More savings mobilized

Amount of savings mobilized;
Number of savers.

KIR 1.3 Increased use of best technical and managerial practices

Proportion of SMEs with business plans;
Proportion of SMEs and individuals working in NR-related activities that have adopted improved NRM technologies;
Proportion of SMEs working in other areas that have adopted improved technologies.

IR 1.3.1 Improved access to information

Number of subscriptions to specialized journals/magazines;
Number of SMEs/entrepreneurs who have memberships in organizations or networks providing business or technical information.

IR 1.3.2 Increased access to appropriate technology

Number of households visited by outreach/extension agents;
Proportion of economic agents reporting that they abide by agreed-upon standards.

IR 1.3.3 Private businesses, associations, and groups strengthened

Number of position papers and studies by private sector organizations.

Ndànk ndànk moy jàp golo ci ñaay.
"It is little by little that one catches the monkey in the bush."
(Patience is the way to progress.)

Overview: In 1996, a major decentralization law in Senegal transferred a wide range of responsibilities to local governments and new regional councils¹⁰. This law presents an important new opportunity for local empowerment, sustainable development, and as a result, tangible economic improvements.

In the absence of decentralization, local and private initiatives have often been constrained by centralized management. For decentralization to succeed, local governments and their partners must have in place the technical capacity, efficiency, financial resources, and the political authority to carry out their new responsibilities.

Through its second strategic objective, the Mission will build on the political will and momentum created by the decentralization law. In response to the needs articulated by USAID's customers and their partners, this SO will:

- Provide necessary institutional support to elected bodies and their local partners;
- Facilitate access at the local level to financial resources for funding development programs;
- Strengthen civil society to assure good local governance and thwart central attempts to control local debates; and
- Improve the implementation of decentralization policies and regulations.

This SO primarily supports the Agency's Democracy and Governance (D/G) SO. It emphasizes popular participation at the grassroots level, greater accountability of local officials, and greater transparency in local government practices. Of the nine authorities transferred to local and regional entities, USAID will concentrate its assistance in the sectors of health and natural resources. This builds upon USAID's comparative advantage and will serve as a model for implementing the other transferred authorities. In the area of NRM, the decentralization legislation includes specific texts to stimulate the formation of local civil society organizations, particularly those with a focus on the environment.

1. Problem analysis

Since 1960, Senegal has gradually attempted to ensure greater and more equitable development at the grassroots level. In 1974, 320 Rural Councils (*Conseils Rurales*, or CRs) were created but never given clear responsibilities or resources. In 1987 many of the regions were redefined and in the early 1990s central ministry powers and responsibilities were devolved to some extent to

¹⁰Transferred authorities include: land tenure, environment and natural resources; health, population, and social affairs; youth and sports; culture; urban planning and housing; education; land development; and development planning.

regional offices. In 1996, Senegal revised its electoral code and passed one of the most progressive decentralization laws in francophone Africa. Later that year, more than 28,000 local officials were elected to office, marking an extraordinary post-Independence move towards popular democracy. Many of these new officials, however, are new to public service and have only rudimentary administrative skills. The legal framework and operational procedures remain incomplete, even though full legislative authorities have been transferred since January 1997. Moreover, in many cases human and budget resources have not yet been transferred from the central government. Not surprisingly, many local officials are unsure of their roles and responsibilities under the new legislation. Essentially, the decentralization process so far has transferred the responsibilities, but not the resources.

In addition, the newly elected officials co-exist with Presidentially-appointed governors, prefects and sub-prefects, who retain important powers including budget-related matters. However, decentralization offers an exciting glimmer of hope that empowered local people will take charge of their own development, rather than wait passively for central-level promises to go unfulfilled. The opportunity presented by the decentralization law is real enough, but so too are the risks if it is not implemented to the benefit of localities. Senegal has already demonstrated that the central government is not fully capable of delivering services in the nine transferred sectoral domains. If decentralization fails, Senegal risks moving backwards. This is a major reason that USAID, with other major donors, is focused on making decentralization work.

Recent experience in the health and NRM sectors in Senegal has lead USAID to a realization of just how important improved local management is, and how health and NRM issues can be the "hook" to achieving improved local D/G. Broadened participation in NRM-based enterprises produced by KAED and CBNRM is proving to be an effective means to achieving decentralization, and may be more effective in some cases than a stand-alone SO focusing exclusively on ballot-box issues. For example, in the rural communities where KAED and CBNRM operate, participation in NRM-based enterprises--a result of training and new authorities--have had real and immediate consequences for people previously excluded from much of the economic or political decision making in their communities. An ever-increasing number of people involved in NRM-based activities in these communities are, for the first time, taking leadership roles in the economic life of the community. By contrast, there is an apparent decrease in the number of people participating in national and local elections (based on reports of lower voter turn-out). This comparison reinforces the argument that the Mission is supporting democratization by helping a broad segment of the rural community build necessary skills, confidence and advocacy through involvement in community-based NRM issues and NRM-based enterprises. Because Mission experience with helping to strengthen local health districts has resulted in the same kinds of D/G impacts, much of SO2 will be achieved by implementing NRM and health sector activities as models for good local governance.

The Mission has also examined opportunities for assisting Senegal's electoral process. Previously, USAID funded the International Foundation for Election Systems (IFES) to provide technical assistance to the GOS for civic and voter education during the November 1996 regional, municipal, and local elections. Among the recommendations made by IFES was the establishment of an independent body to oversee the elections. Following the creation of this non-partisan entity--the National Observatory for Elections (ONEL)--USAID and the U.S. Embassy expressed keen interest in providing support for its objective of overseeing the May 1998 legislative elections. In

February of 1998, however, the GOS made it clear to the donor community that direct assistance to the ONEL would not be permitted.

At this time, therefore, USAID does not have a basis for developing a special objective on elections. Through SO2's third KIR, however, the Mission will assist the political process at the local level by developing activities to strengthen democratic principles and further promote civic and voter education. These activities are expected to enable local populations to understand better the political process and make informed choices about the candidates, as well as to increase local government accountability to their constituencies. Furthermore, there will be two important local elections during the life of this strategy (2001 and 2006), at which time the Mission will again explore possibilities of providing assistance.

2. Targeted customers

SO2 will work closely with the following customers:

- *Local government institutions* at the regional, municipal and rural levels;
- *Locally elected (CR level) NRM committees* that provide wiser and more participatory management of the natural resource base, including land use management;
- *Youth associations*, which are excellent bases for shaping Senegal's future leaders. Many have developed economic activities and perform social and economic services for their communities;
- *Women's groups*, which are dynamic and very receptive to activities that address problems and encourage greater participation at the local level;
- *Hometown and "émigré" associations*. These groups are well organized and capable of mobilizing considerable financial and human resources, as well as introducing new ideas;
- *Journalists and the media*. The emergence of independent media has become one of the most promising developments in Senegal's democratization. The Mission will work with these entities to support the development of local media to address local governance issues and disseminate information;
- *Local and regional unions and federations* will be strengthened to foster horizontal linkages and economies of scale among various grassroots organizations; and
- *Groupements d'Interet Economique (GIEs)*. These economic interest groups are among the fastest growing structures in Senegal, in part because their income is not taxed (income is allocated to individual members and taxed accordingly). GIEs are dynamic providers of economic and social services at the local level.

3. Critical assumptions

Critical assumptions at the SO level define the conditions for achieving results. They include:

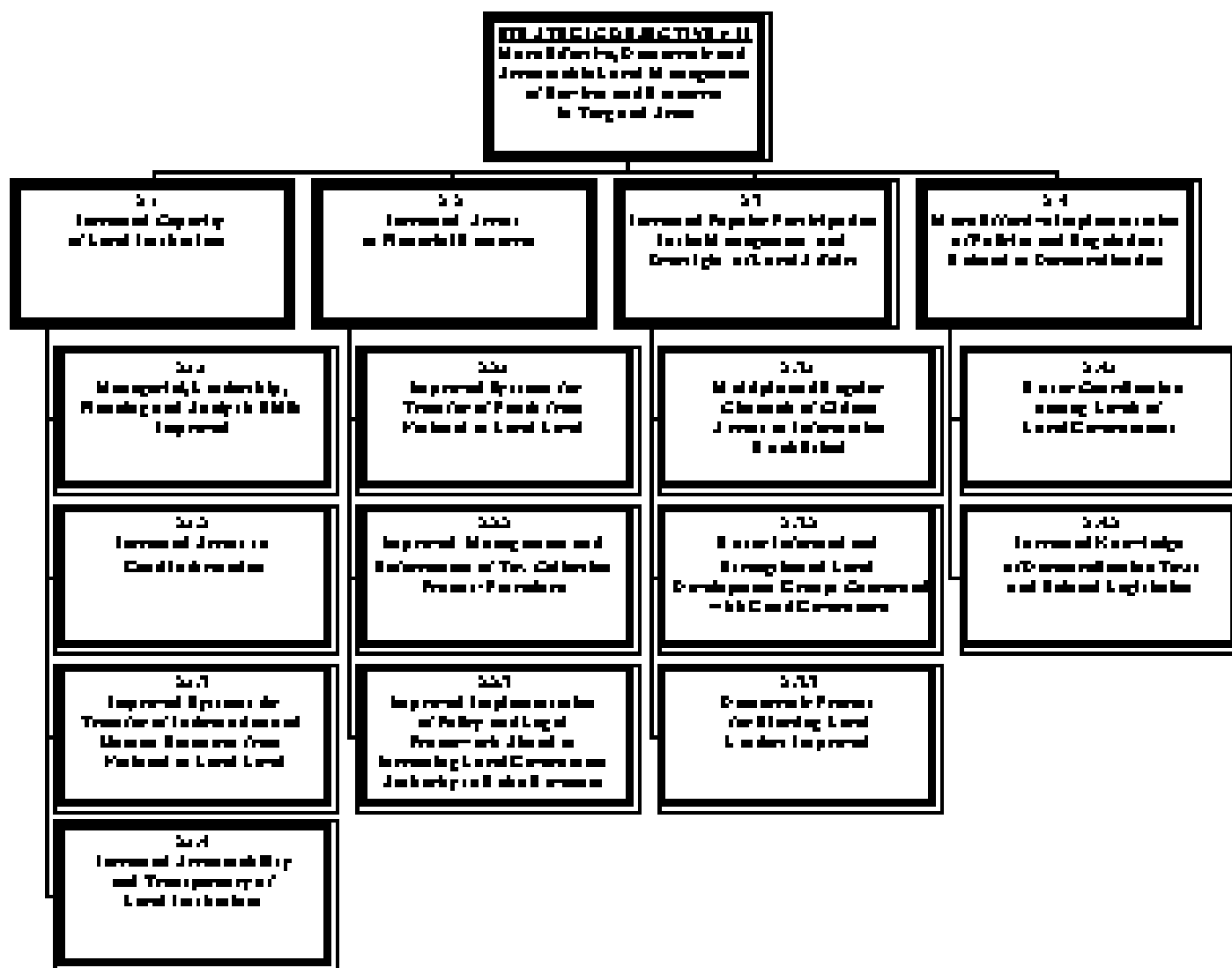
- *A continuing climate of social, political, and institutional stability* to permit improved management of local services and resources. As the insurgency in the Casamance region demonstrates, physical security is the minimum prerequisite for program operation.
- *A continuing, shared political will to support decentralization.* The central government must not obstruct or manipulate the process, either deliberately or through neglect, carelessness or bureaucratic obfuscation. Political will at all levels of government must be genuine.
- *Donor and development partner agreement to coordinate closely on decentralization programs and to establish appropriate funding mechanisms.* Donors have traditionally provided funding directly to central government bodies, with the exception of funds allocated directly to PVOs or other private entities. If decentralization is to succeed, development programs supported by donors must be coordinated and funding procedures adapted.
- *The people's belief and participation in local government.* This is the countervailing force to political will. The entire decentralization effort could falter if people mistrust the process and fail to invest their time and effort in local government structures. Nurturing confidence in popular participation depends on strong leadership from local officials and civic leaders.

4. Causal relationships within the Results Framework

USAID/Senegal, in collaboration with its customers and partners, has defined four interrelated and mutually reinforcing KIRs. Together they will lead to the achievement of SO2, which is essentially enhanced political empowerment at the local level through appropriate implementation of the new decentralization law.

Given that the regional, municipal, and rural councils have new and greater responsibilities as of 1997, the strategy will strengthen these government institutions in targeted areas, helping them to carry out decentralized mandates. In addition, USAID/Senegal will focus on effective coordination among the different layers of government found at the local level. Finally, since the decentralization law itself is new, there are a number of regulations and implementation guidelines that still need to be developed. These will affect how local governments interact, raise revenues, and involve the local private sector and various interest groups.

STRATEGIC OBJECTIVE #2: RESULTS FRAMEWORK



KIR 2.1 Increased capacity of local institutions

If local government service delivery and resource management are to be more effective, democratic, and accountable, then relatively strong governmental, as well as non-governmental, institutions must be put in place. Current levels of capacity are exceedingly weak or non-existent. The knowledge, skills and attitudes of local leaders must be upgraded both technically and managerially.

Critical assumptions for this KIR are that:

- Individuals and groups in the community and local government are willing and able to take advantage of opportunities created by decentralization;
- Small groups can organize themselves around tangible interests and work together for mutual benefit;
- Relatively poorly educated local elected officials and civil society leaders, working with local administrative officials, can acquire the basic skills to guide and manage bureaucracies and to encourage individual and community actions;
- Access to good information will provide adequate technical and organizational guidance to support successful activities; and
- Systems for transfer of information and human resources exist and are operational.

Three intermediate results support the achievement of this KIR.

IR 2.1.1 Managerial, leadership, planning, and analysis skills improved

This IR focuses on building the capacity of local government structures and local organizations, supporting their efforts in participatory planning, analysis, and implementation. This IR will include establishment of improved systems for record keeping, budgeting, accounting, management, and report writing to show progress and completion of activities. These systems will provide a framework for ensuring that efficiency, transparency and accountability become part of routine procedures.

IR 2.1.2 Increased access to good information

This IR is based on the premise that good information is a prerequisite for strong, sustainable institutions. Two kinds of information seem to be of the greatest importance. First, there is a need to know at the local level the rules and regulations governing the decentralization law. Secondly, there is a need to establish information systems about "best practices" for good local governance as well as technical information on such topics as best NRM practices. Local access to good information will enhance the quality of development efforts and promote their sustainability.

IR 2.1.3 Improved systems for transfer of information and human resources from national to local levels

Improving these systems will facilitate information flow and provide the necessary human means and resources needed by local governments to carry out their new mandates. Sharing of "best practices" among local communities across Senegal will also be promoted.

IR 2.1.4 Increased accountability and transparency of local institutions

For local institutions to be strong, there must be greater accountability of local officials and greater transparency of local government practices. This IR will support activities which will help create an environment conducive to a public monitoring of the performance of locally elected officials as well as the non-elected civil servants. Activities will also include auditing of local finances and other anti-corruption measures.

KIR 2.2 Increased access to financial resources

Local governments need a certain level of financial resources to carry out their responsibilities. This in turn requires a timely transfer of funds from the central government. Because the need for resources at the local level far exceeds the amount that the central government could ever transfer, local governments need clear authority and mechanisms to generate additional financial resources locally, through non-government channels, donors and other external entities, local taxes, contributions, and fund-raising.

The critical assumptions for this KIR are that:

- Central governmental resource allocations will be forthcoming;
- Local governments are able to increase their tax revenues and attract additional funds from donors, NGOs, and other partners;
- Individuals contribute their own resources, both financial and in-kind; and
- The Senegalese begin building off of their culture of donations and taking care of the extended family, to support philanthropic organizations that provide social services such as public libraries and neighborhood clean-up campaigns.

Three intermediate results support the achievement of this KIR:

IR 2.2.1 *Improved systems for the transfer of funds from national to local levels*

This IR addresses the implementation of existing legislation provisions with respect to funding. Because the transfer of funds from the national to the local level has not been effective during the first year of decentralization, this IR will work to improve efficiency and timeliness of the transfer systems.

IR 2.2.2 *Improved management and enforcement of tax collection procedures*

This IR addresses the improvement of existing tax collection techniques and the generation of new fiscal resources to finance local development activities.

IR 2.2.3 *Improved implementation of a policy and legal framework for local government authority to raise revenues.*

This IR addresses non-central government sources of funding for local governments to carry out their programs. Alternatives include donor and NGO funding, local fiscal efforts, credit, and private fund-raising or contributions, both financial and in-kind.

KIR 2.3 Increased popular participation in the management and oversight of local affairs

Popular participation is demonstrated in several ways: elections; decision making and feedback on the acceptability of plans; participation in the implementation of services, development activities, and village level decision making; financial contributions; the promotion of local civic culture that reinforces democratic principles and good governance; the development of regional and local media; and oversight of and feedback on overall government actions.

Following are some critical assumptions for this KIR:

- People have the time and interest to participate at the levels defined above;
- Local leaders (civic, elected officials, and administratively appointed officials) act to inspire popular participation;
- Access and availability of pertinent information will prompt people to action;
- Elections can be organized and conducted in a transparent and credible fashion; and
- Local civic leaders are selected in a credible and transparent fashion based on the confidence they inspire in responding to local issues.

Two intermediate results support the achievement of this KIR:

IR 2.3.1 Multiple and regular channels of citizen access to information established

Establishing systems for citizen involvement begins with regular meetings that encourage a sharing of views and information. Sharing financial information is a key element of transparency, essential for trust and openness. In a semi-literate society, meetings constitute perhaps the most important forum for communication and participation. Yet discussion must also be encouraged outside of meetings, in small groups or subcommittees, to involve those who may not have attended or spoken up at the meetings. Moreover, thorough, candid, and regular reports on plans, budgets and activities constitute an indispensable aspect of open systems.

IR 2.3.2 Better informed and strengthened local development groups concerned with good governance

The more citizen groups are knowledgeable about good governance, the more they will be able to provide oversight of local institutions and meaningful participation in their deliberations. Information on team building, information-sharing, fund-raising, problem solving, conflict resolution, and other issues will be provided. USAID will use NRM and health issues as a means of focusing on good governance.

IR 2.3.3 Democratic process for electing local leaders improved

One of the most important components for popular participation is the process of electing local leaders. If leaders are not representative and effective in carrying out their roles, then popular participation generally falters and people become indifferent. Elections should increasingly focus on programs as opposed to discussions of personalities and electoral tactics. The accomplishments of incumbents should also become common knowledge. This IR will support

activities aimed at voter education and political participation and at strengthening local advocacy groups engaged in voter education campaigns.

KIR 2.4 More effective implementation of policies and regulations related to decentralization

The regulatory framework for effective decentralization is not yet fully in place, and serious gaps have already been identified. KIR 2.4 will address this problem to permit a better coordination of the multiple governmental structures currently existing at the local level.

The critical assumptions for this KIR are that:

- The political will exists among different levels of government to rationalize their responsibilities and to implement fully the intent of the decentralization legislation;
- Adequate skills can be transferred and developed to implement decentralization and related legislation;
- Transparent regulations and codes are developed and implemented that "level the playing field" and empower the private sector and NGOs; and
- Local officials, many of whom are illiterate, can understand and effectively apply the intent of all relevant legislation, codes, and regulations.

Two intermediate results will support the achievement of this KIR:

IR 2.4.1 Better coordination systems among levels of local government

Coordination is essential for information-sharing about successes as well as constraints and concerns. For decentralization to succeed, it will require horizontal as well as vertical coordination.

IR 2.4.2 Increased knowledge of decentralization texts and related legislation

One of the key constraints to decentralization is a lack of knowledge of decentralization texts and related legislation at the levels of both general operations and specific sectoral authorities such as NRM and health financing. Since local leaders are reluctant to act until they understand their roles and responsibilities, it is essential that a basic operational understanding of the decentralization legislation be provided in a consistent and coherent manner across the country.

5. Customer and partner commitment

During the initial Customer Survey and the April workshop to define the Strategic Objectives, USAID/Senegal's customers and partners articulated this SO as being a high priority, second only to income and employment creation. Initially, the SO was worded as, "effective and sustainable decentralization." During subsequent workshops, it was rephrased to better articulate the actual intent of empowerment. Partners from NGOs and the Ministry of Interior were particularly active and supportive of the new wording. During the December 1997 Restitution with Customers, the sampled customers also expressed satisfaction with the final wording of the SO and KIRs. In

addition, PVOs/NGOs are particularly enthusiastic about this SO because they see themselves featured prominently both as partners and as keeping customers of the related SO activities.

6. Other donor activities in the SO

In 1997, decentralization was the most discussed development idea among donors in Senegal. A donor coordination committee on decentralization was established under the leadership of the Canadian International Development Agency. This group has been crucial in keeping the GOS from playing one donor off another, and in creating transparency in the budget distribution process. Assistance is particularly aimed at increasing the technical capacities of the national association of these newly elected regional officials; increasing and disseminating knowledge of decentralization policies and procedures, including studies on local taxation; and the development and promotion of new forms of partnership for the management of local affairs.

The EU is focusing on community support for decentralization; information systems for locally elected officials; equipment for local governments; and training government officials and newly appointed local officials in communications systems, regional statistics, and decentralization-related topics.

The French have activities to support GOS reforms adapted to decentralization; to train GOS agents and newly elected officials in land use planning, development planning, and budget control; and to support local government with equipment and infrastructure.

UNDP supports decentralization efforts through Local Development Funds focused on strengthening rural council capacities and developing income generating activities in targeted towns.

Other donors and activities include the World Bank's Program of Support to Regional, Communal, and Rural Community Levels; the Frederick Ebert Foundation, which will provide focused training in budget implementation and environment to the newly elected officials; and the GTZ, which will provide literacy programs. The Netherlands also intend to provide assistance to decentralization.

7. Illustrative approaches

KIR 2.1: Newly elected officials as well as local level organizations and associations in the targeted areas will be provided training in literacy, numeracy, bookkeeping, leadership skills, and good governance practices, as well as management, proposal, and report writing. Local governments will be provided with reliable, updated information on new ideas and approaches. Workshops will also be conducted to promote local development strategies and to discuss local-level problems stemming from transferred authorities, such as health, environment and natural resources. Activities will include the continuation under CBNRM of technical assistance, equipment, and skills training for NGOs and local populations to develop and implement land use management plans.

KIR 2.2: USAID activities will focus on developing appropriate techniques and organizations to mobilize financial resources needed by local governments to carry out their planned programs. For example, this KIR will explore increased generation of revenues from weekly village markets.

Under CBNRM, greater emphasis will be placed on networking for access to savings and loan programs.

KIR 2.3: Popular participation requires interactions between locally-elected officials and citizen groups, as well as the direct involvement of those groups in local decision making processes. Programs will be developed to help ensure greater accountability, transparency and oversight in regional, municipal, and rural government operations. Activities will also aim at strengthening good governance practices, democratic principles, and accountability at the local level. These activities are already underway in an initial 15 (of 50 planned) CRs through CBNRM, where NRM committees continue to learn a participatory approach to decision making. Other activities will promote civic and voter education¹¹ to increase knowledge about the political process and to help community-based groups in local government operations. Finally, to assist local governments in developing partnerships with NGOs, improved organizational and participatory management techniques will be introduced .

USAID will develop activities to strengthen service-oriented NGOs and develop mechanisms for making them more accountable to the local populace. The Mission further plans to promote the development of regional media and the diffusion of information about local issues in local languages. Activities will also support selected organizations that specialize in the development of instruments to promote good governance and local government oversight.

KIR 2.4: Under this policy dialogue KIR, USAID activities will initially focus on improving the implementation of decentralization policies by providing more information about decentralization texts and related legislation. CBNRM has already been instrumental in building greater understanding of the decentralization law and related forestry code legislation in 15 CRs; these efforts will expand under the new strategy. Assistance will also be provided to better coordinate and differentiate roles among the different local government structures.

8. How sustainability will be achieved

For decades, development programs in Senegal have not been sustainable because of lack of program ownership by the Senegalese themselves. Senegal's new delegation of authority to local levels now promotes such local autonomy and emphasizes popular participation. SO2 will target those local governments, using the demand-driven approach, that have demonstrated vision, energy, management acumen, and a willingness to contribute to their own development. This approach will weed out those partners that are not likely to be focused on the sustainability of results after USAID assistance has ended.

9. Expected magnitude of impact

Under a low funding scenario (*see Part III*), and in light of current experience under the six year, \$25 million CBNRM Activity, the Mission believes that with a similar level of funding and roughly the same timeframe the new strategy would be able to provide assistance to between 30 and 40 CRs and their constituencies (NGOs, GIEs, and other associations) in addition to the assistance already aimed at 50 CRs under CBNRM (which would continue under the new strategy). In total,

¹¹ Oyinlola, Adeyinka, 1996. *Technical Assistance to Senegal's 1996 Regional, Municipal, and Local Elections*. International Foundation for Election Systems, Washington, D.C. (p.23).

some 80 to 90 CRs out of the 320 in Senegal would be affected by the new strategy. However, because assistance provided under the new strategy goes beyond NRM and NRM-related activities, the impact of this SO will be more diversified and much greater than that of CBNRM alone.

SO2 activities may also target two to three regional councils, selected based on criteria developed by USAID and its partners. In so doing, SO2 would have an impact not only on the population of each CR (roughly 320,000 to 400,000 people), but on those of the selected regions. Moreover, PVOs/NGOs and grassroots organizations within the selected CRs would benefit from USAID support.

A high funding scenario would allow the Mission to provide more intensive and extensive assistance, enhancing both the scope and quality of its services. The Mission would also be able to develop NPAs to: (1) negotiate policy reforms such as the approval and implementation of the Land Tenure Plan, which would facilitate access to land rights for youth, women and the landless; and (2) enable local governments to levy local taxes. The impact of these envisioned policy reforms would be nationwide.

10. Performance Indicators

A number of performance targets will be used to monitor progress and to measure achievement of this SO. Sources of data and information to be used in measuring performance indicators will include: reports from the GOS Ministries of Interior, Decentralization, Finance, and Environment; reports produced by other donors; customer and partner surveys; and any other external evaluations deemed appropriate. Some of the following indicators may be dropped if the costs of data are deemed too high. See Annex E for more information about the Monitoring and Evaluation Plan.

SO-level performance indicators

Proportion of citizens in 50 CRs and 10 Communes who report satisfaction with a threshold level of services and resources (as determined by periodic surveys);
90% of targeted CRs implementing Land Use Management Plans (LUMPS);
60% of Communes and 65% of CRs implementing 90% of their budgets.

Cost: \$48 million over 8 years

KIR 2.1 Increased capacity of local institutions

Proportion of CLs that implement their Environmental Action Plans;
Proportion of CLs that design and implement a development plan;
Proportion of CLs capable of self-reporting on management-related financial data;
Proportion of works under CL supervision contracted to local organizations.

KIR 2.2: Increased access to financial resources

Proportion of CLs that collect at least 80% of planned operating revenues on their own;
Rate of increase of government transfers (in real terms) to CLs;
Rate of increase in the value (in real terms) of revenues from external sources;
Proportion of CLs that receive 100% of expected central government transfers by March 31st.

KIR 2.3: Increased popular participation in the management and oversight of local affairs

Number of complaints registered against local governments and deconcentrated state authorities.

KIR 2.4: More effective implementation of policies and regulations related to decentralization

- Proportion of decentralization-related implementation decrees issued;
- Proportion of conflicts resolved at the CR level.

STRATEGIC OBJECTIVE 3

INCREASED AND SUSTAINABLE USE OF REPRODUCTIVE HEALTH SERVICES (CHILD SURVIVAL, MATERNAL HEALTH, FAMILY PLANNING, AND SEXUALLY TRANSMITTED INFECTIONS/AIDS) IN THE CONTEXT OF DECENTRALIZATION IN TARGETED AREAS.

Wergiyàram moy àlà.
Health is wealth.

Overview: U.S. investments towards this objective will promote the use and sustainability of selected primary health care services by increasing access, demand, and local financing. Working in both public and private sectors, efforts will be aimed at decreasing infant and child mortality, reducing fertility, and stabilizing HIV/AIDS prevalence rates. Funding levels will depend on local needs-based demands, program performance, and participatory co-financing. Anticipated impacts include doubling the levels of use for key infant/child preventive health services and family planning in the selected areas as well as improving other key indicators.

SO3 builds directly on the 1992-1997 strategy and on USAID experience in Senegal over the past 35 years.¹² It reinforces an emphasis in recent years on stimulating private and voluntary sector initiatives and is intended to enhance Senegal's political and administrative decentralization. In addition, it emphasizes the importance of strengthening local entities -- a minor feature of U.S. health assistance in Senegal since the early 1980s.

The services reflect priorities established by the GOS Ministry of Health & Social Action (MHSA) in its 1998-2002 national plan, and are fully consistent with priorities established in U.S. foreign assistance legislation and Agency population and health sector policies. The GOS/MHSA's new national strategy and its related Integrated Health Development Program (PDIS) will allow donors to coordinate their investments in integrated primary health services, especially for reproductive health (RH). USAID interventions will focus on child survival (CS), maternal health and family planning (FP), and sexually transmitted infections (STI/AIDS) services.

1. Problem analysis

Since the late 1970s, mortality and fertility (and the related issues of demography and rapid population growth), as well as ethical rights issues surrounding human reproduction, have been identified by USAID as among the major long-term development assistance challenges in Africa. This is why the United States has invested over \$100 million in the population and health domain in Senegal over the past 20 years. These investments have contributed to some remarkable results: health policies now strongly favor primary health care and community-level organization; child mortality declined 50% (even more in rural areas); fertility in urban areas declined more than

¹ Historical studies, contemporary analyses, and key information sources for this SO3 section are found in *Merritt et al. Population and Health in Senegal: USAID Retrospectives and Appraisals*, USAID/Senegal, 1997.

25%; and the country's early, concerted action in the 1980s has so far successfully contained the HIV/AIDS pandemic to comparatively low levels.

Senegal has benefited from--and returned good results for--high levels of international donor financing. However, significant mortality and fertility problems remain. Continued foreign exchange grant financing and other assistance for health system services can help accelerate Senegal's transition in the first half of the next century to a low-mortality, low-fertility equilibrium that will enable more investment in productive and social sectors, lessen demographic pressures that contribute to political and social instabilities, and enable alleviation of potentially severe environmental degradation.

Senegal's *infant and young child mortality* has declined steadily since the 1960s (from over 325 to 139 per 1000 for children under 5 years old, in 1997). It now is among the lowest in sub-Saharan Africa, due in large part to deliberate public health measures and donor assistance taken over the past 20 years in spite of largely stagnant or declining economic growth. This mortality, however, remains high by international standards and is amenable to further policy and program interventions as planned by the GOS and as proposed in this strategy. Moreover, recent studies show declines in rural mortality leveling off and actual increases in urban age 0-5 mortality in 1995 and in 1996, likely due to declines in vaccination rates earlier this decade, differential vulnerabilities to poverty in urban areas after the 1994 CFAF devaluation, and possible deterioration in water and sanitation standards. With over 13% of children dying before age five, a major prerequisite for reducing fertility is still lacking.

	Fertility (TFR)	Mortality (0-5)
1950	(?)	350
1978	7.2	300
1997	5.7	139

The *Total Fertility Rate* (TFR) recently has shown significant declines in urban areas but remains high in the country overall, at about 5.7 per woman. Rural areas show little change: marital fertility remains above 8 children per woman. With natural increase at about 2.7%, population doubling time is 26 years. The total population will pass 18 million before the year 2025, even assuming fairly rapid declines in birth rates. High dependency ratios (number of children and aged to economically active-aged adults) impose great burdens on social sectors and major constraints on domestic savings and investments for economic development. High fertility itself also contributes directly to high maternal and infant mortality.

Maternal mortality is very difficult to measure with certainty, but indications are that Senegalese women are at unusually high risk; estimated at between 800 and 1200 per 100,000 live births--higher than all but a few countries (Somalia, Niger, and Guinea, for example). Reasons are not well understood but surely include a distinctly Sahelian pattern of continued high fertility through the later reproductive years (e.g., 40's). Furthermore, access to and use of quality pre- and postnatal referral services for mothers are much more limited than standard child survival services. Only an estimated 20% of women use these services. Female genital mutilation (excision), however, is not comparatively pronounced in Senegal, affecting probably less than 20% and largely confined to one major and one minor ethnic group.

Control of *sexually-transmitted infections* (STIs) is a central feature of Senegal's new national health plan and of USAID's international assistance program because HIV/AIDS is a major threat, not only for economically active adults across the socioeconomic spectrum, but also to infants and children. Though Senegal presently has one of the lowest levels of prevalence (about 1.4%) and

incidence of HIV infection in the Africa region, this situation might change quickly without continued, strong control efforts. The Mission believes that the comparatively low levels are due to a combination of early, aggressive control efforts, including active involvement of religious leaders, and to what can be described as a “conservative culture” governing sexual behavior. These led to what appear to be higher levels of sexual abstinence and greater use of condoms among young adults during the 1990s. A possible related effect or indicator of this tendency is the decline in urban fertility, which the DHS-III shows is due mainly to delays in first births. Senegalese health professionals often note that U.S. assistance since the early 1980s has been a major contributing factor to the country's comparative success and, though many donors are willing to contribute, the Senegalese emphasize their concern that the U.S. should continue to play a leading role in assistance to STI/AIDS control.

Institutional analyses show that Senegal has the capacity and means to train sufficient numbers of personnel to meet requirements for basic health service delivery.¹³ Medical personnel deployed, however, are well below norms urged by WHO. GOS determination and the planned external resources of other donors, however, should assure that overall requirements for personnel will be met during this strategy period. Correcting the serious maldistribution of health personnel (concentrated in Dakar) is a main, intended benefit envisioned for decentralization in the health sector, as municipalities and local health committees employ more personnel directly and encourage growth of private health facilities through private sector investment.

Senegal's prospects for sustainable development should improve markedly with further efforts in health for more productive labor; lowered fertility and population growth; and improvements in dependency ratios over the next generation.¹⁴ Demographic and socioeconomic changes similar to those in Asia are entirely possible and are envisioned in Senegal over the next few decades, though the time span may be longer than was the case in Asia due to comparatively higher mortality and fertility at the onset of transitions in Africa.

2. Targeted Customers

At the level of the strategic objective, SO3's main “market” is *couples and individuals of reproductive age*, especially mothers. *Infants and children* up to age 5 are major customers of child survival activities. *Groups at high risk* of contracting STIs, including prostitutes, transporters, and older students, as well as the population at large, are the focus for STI/AIDS control activities. Community outreach and local participation have for many years been features of Senegal's health strategy, but new laws and political mobilization now permit and require greatly renewed emphasis. USAID's customer focus requires consumers of health services be even more involved throughout the process of planning, implementing, and financing activities. The GOS, likewise, is committed to this principle.

² GOS, PDIS, 1997. World Bank Appraisal Mission, 1996.

³ See: Williamson & Higgins, *Population and Development Review*, June, 1997; and Mason, Lee, & Miller, *East-West Center Working Papers*, August, 1997. Rapid fertility declines during the 1970's in Asia have been shown to be among the most important factors accounting for rapid economic growth since the 1980s. Shifts in age structure led by the 1980s to an unprecedented proportion of the population in the working-age group, facilitating much higher rates of household savings and investment. All these countries had very active, successful family planning and primary health programs, and all achieved transitions to low mortality and low fertility within the span of a single generation.

From the customer and geographic viewpoint, some features of the Mission's strategy will continue to be *national in scale*, including: procurement and logistics of contraception; social marketing; certain initiatives in information, education, and communication (IEC); demographic and epidemiological studies; and training (*see Illustrative Approaches*). These usually "vertical", sharply defined, often private-sector features may amount to 50% or more of total SO3 investment in some years, and often will involve U.S. technical assistance via USAID/Global Bureau Cooperating Agencies. Comparatively larger investments under SO3, however, will be in *demand-driven, area-specific* program activities where USAID will support locally planned and executed, integrated RH activities, largely with Senegalese technical assistance. This differentiation of national and local area "markets" also leads to dual monitoring and reporting (*see SO Indicators*).

3. Critical assumptions

The political, economic, bilateral, and professional environments in Senegal today broadly favor attainment of SO3. Some fundamental assumptions and concerns, however, were repeatedly posed throughout SO3 preparations: ¹⁵

SO-level assumptions:

- Leadership *sustains sufficient political will* to effect general compliance with the new decentralization laws and regulations as well as the Bamako Initiative. Steady flows of internal resources will require community involvement and cross-sectoral collaboration on scales unprecedented in Senegal.
- Though Senegal's overall legal, regulatory, and policy environment already favors achievement of SO3, there must be *no policy reversals* that undermine progress achieved or underway towards, for example, autonomy of national hospitals and liberalization of controls in the pharmaceutical sector.
- The *GOS will relieve remaining constraints* to easier access to contraception and oral rehydration packets through both private and public sectors. Other barriers constrain increased acceptance of generic drugs and dynamization of private sector services. Leaders must further promote expansion of services beyond the public sector, including encouraging sustainable health care financing, especially through cost recovery systems, by local communities and private practitioners, reinforcement of the essential drugs policy, and greater involvement of PVOs/NGOs in providing preventive services.
- Development partners (the GOS, donors, the private sector, and local governments) meet their commitments and execute their interventions in a *timely manner*. Active coordination presently is good but must be intensified in order to increase use of services.

⁴ Other assumptions at more macro levels are discussed earlier in the CSP. SO3 implications include: (1) that household *purchasing power remains stable* or improves, enabling ability to pay for health services; (2) that the GOS, with donor assistance, will be able to *mitigate the effects of natural disasters* affecting the ability and willingness of populations to pay for health services; and (3) *Socio-political stability* must be maintained. Chronic social unrest related to domestic issues, such as strikes and demonstrations, as well as more international issues such as border closings, often reduce health service delivery. This also includes the powerful labor unions of health professionals who blocked reporting on performance during 6 months of 1997. The GOS and the health unions must minimize disputes to make further progress in service delivery.

KIR-level assumptions:

KIR 1 focuses on strengthening existing service delivery mechanisms and expanding the health resources available at the community level. It incorporates standardized care and quality control mechanisms for both public and private providers.

Critical assumptions include:

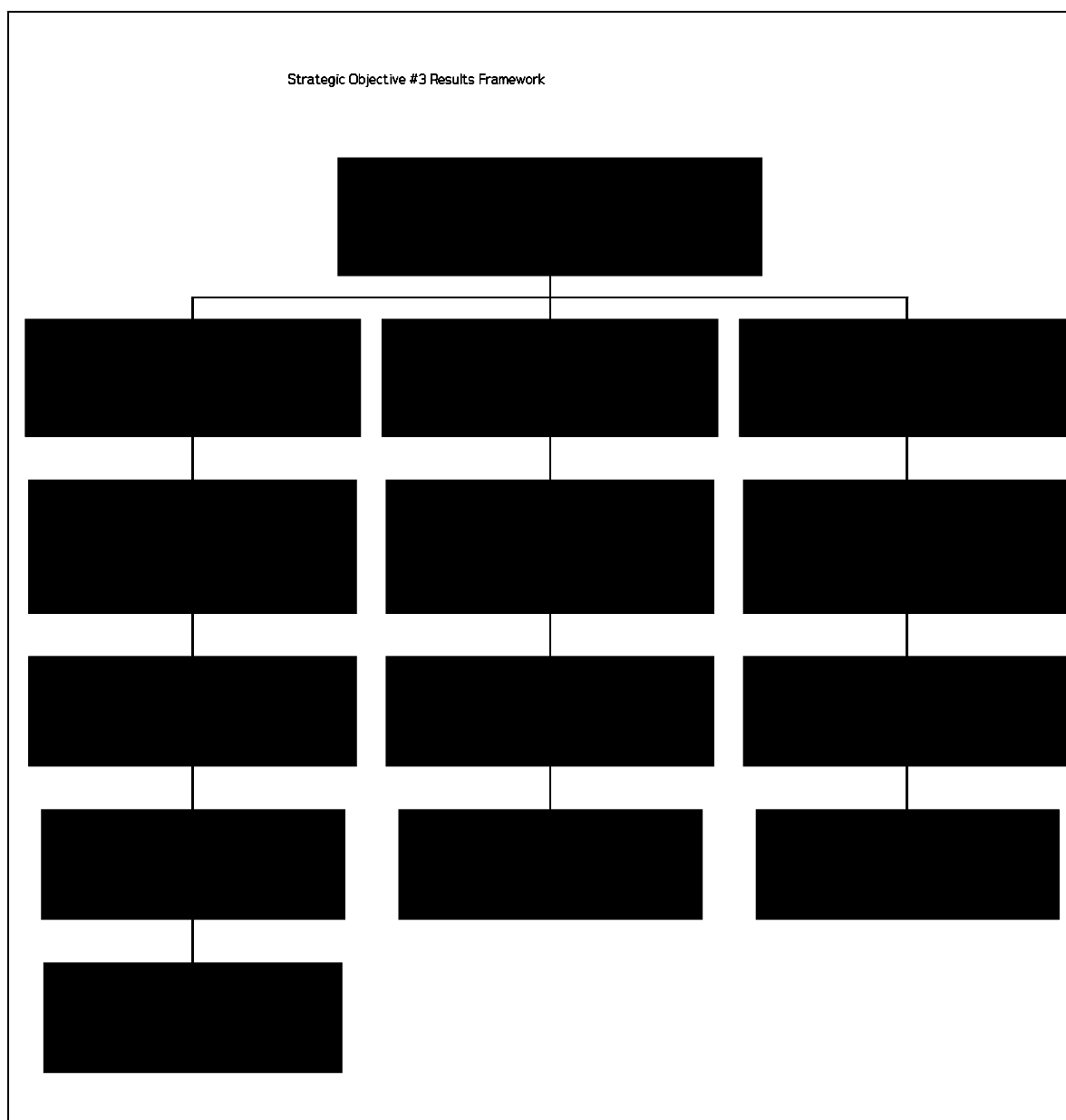
- The GOS continues expanding SDPs to meet norms set by WHO;
- The GOS deploys enough health personnel with adequate technical competency to staff rural SDPs;
- The GOS fulfills its commitment to hire about 250 new health professionals each year;
- Health providers in the public and private sectors establish partnerships and coordinating mechanisms for delivering primary health services.

KIR 2 focuses on increasing demand for health services by improving community-level knowledge, attitudes, and health practices. It encourages increased participation by communities to achieve ownership as well as increased use of health services. A critical assumption for this KIR is that there will be fewer competing demands for household resources, so that routine health services can be an integral and manageable part of household expenditures and that use of services will further enhance demand.

KIR 3 focuses on the availability of financial resources and local abilities to manage funds. A critical assumption is that local governments will make health services a priority and commit resources accordingly.

4. Results Framework and causal relationships

Over the course of strategy formulation, KIRs and IRs were elaborated with specialists and partners, as summarized below. This framework illustrates types of results that will be sought in the cooperative agreements to be established between USAID/Senegal, the GOS, and local governments, as well as establishing the framework for the Senegal Action Plans of USAID/W cooperating agencies who will be working on SO3.



At the SO level, program and epidemiologic research demonstrate that increasing use of a variety of health services leads directly to significantly higher infant/child survival rates and lower fertility. Likewise, there is consensus among Senegalese, U.S., and other partners that KIRs 1 and 2, *access* and *demand*, are critical for increasing use of services. These were the key areas of program emphasis during the Mission's preceding strategy, working within a similar Results Framework, and have been key concepts in USAID/W's guidance and strategy frameworks for many years. "Access" was chosen over "availability" because it includes physical availability as well as cost and quality.

The third KIR, *increased internal financing for services*, is linked to *sustainability* in the SO statement. While it is not easy to imagine how use of services could increase without either or both access and demand increasing, it is easily imaginable that service use could increase without greater internal financing were there no concern for long-term sustainability of the service system. KIR3 reflects a conviction at USAID/Senegal and among many Senegalese that optimal financing of preventive, public health requires a better balance between: (a) external grant and loan sources (presently nearly 100%, including both recurrent and development finances); (b) GOS central sources; and (c) local-level tax and consumer cost-recovery. For decentralization to be effective in a broader sense, the GOS and people at local levels must have higher stakes in financing as well as directing health services in their communities. Only with a better balance of external and internal resources will greater access to quality services lead to higher, *sustainable* levels of use of primary services.

5. Customer/partner commitment: SO3 is participatory and timely

Health services are mainly technical, and their organization hierarchical in nature; therefore, at the level of *occupations* and Intermediate Results, SO3 partners begin with *health professionals and paramedicals*, specialists certified by the state to provide defined services. These are the front-line partners and intermediaries for program training, equipment and supply, supervision, surveillance, and reporting of services.

Program technical priorities and interventions are set within GOS national and regional plans by Senegalese specialists in epidemiology, demography, and quantitative and qualitative analysis, often with USAID and other donor funding and consultation. These *subject area specialists* are important clients and intermediaries.

Other essential partners include *national and local political and public opinion leaders* in the realms of religion, civil society, and entrepreneurship, who frame policies, make or interpret laws and regulations, promote and guide programs, and typically determine success or failure of initiatives.

USAID's key *institutional* partners under SO3 remain the MHSA, the Ministry of Women and Children, other donors, and international and national non-governmental organizations. The strategy for coming years, however, brings together regional and local governments and community organizations (especially health and/or development committees) as principal partners for the first time.

SO3 is timely given that in the 1990s the GOS has steadily reversed the past constant increase in spending on hospitals and wage outlays and devoted greater expenditures to prevention and

basic curative care, logistics and support systems.¹⁶ MHPA priorities for the next ten years are clearly established in the new national health program (the Social and Health National Development Plan, or PNDSS). The first five years of this program have been further specified and budgeted in the PDIS. These two plans, and the MHPA's regular formal and informal consultations with all donors throughout their development, have permitted USAID/Senegal to identify interventions that meet joint interests and fall within manageable interests.

The MHPA's health plans also permit more efficient coordination among donors and local partners. The PDIS describes in detail modalities for executing the plan; activities to be implemented during the period 1998-2002; estimates of contributions by the central government, local governments, population and donors; and monitoring and evaluation of the activities. Discussions are underway with donors to determine their preferred areas of intervention, modalities of assistance, and the resources each intends to make available under the PDIS.

Local governments (Collectivités Locales, or CLs) will be principal partners in the new strategy. USAID/Senegal will work closely with the newly empowered elected officials and entities to help them fulfill their responsibilities under the new laws. Joint USAID-CL performance reviews will be public and transparent, with clear and unambiguous indicators and benchmarks for all program activities included in the agreement. This approach will help hold local governments accountable, and at the same time will help them develop credibility as they perform well.

Health Committees are also key partners. Their role in financing and overseeing local health services has grown steadily over the past ten years and they now are among the most potent elements in the overall health system in many rural areas. Their importance is expanding under decentralization, as they now are much closer to decision-making by local government officials. These committees, however, presently have no real legal status nor any horizontal association among themselves. USAID/Senegal will support a PDIS intention to promote more participatory management to engage health committees in the identification of local health priorities and increase their role in preventive health, including health-related water, sanitation, and nutrition activities. Health committees will bring resources generated by cost recovery mechanisms.

Senegal has important and increasingly well-organized local *grassroots associations* that will be engaged as intermediaries between health facilities and households to promote behavior change and motivate greater demand for services. USAID/Senegal local agreements will include these for promotion of services and outreach activities.

Finally, *U.S. and Senegalese Private Sector Cooperating Agencies* will play an important role through activities including: procurement and distribution of contraceptives; operations research on family planning and child survival; commercial retail sales of contraception; national and area-specific demographic and epidemiological research; health system policy and program analyses; training and surveillance of clinical methods; and IEC and HIV/AIDS control programs.

⁵ The hospital sector share diminished from 60% of operating budget allocations to 40% between 1989 and 1995. Aided by donors' focus on primary health care activities, the first tier system received a more equitable allocation, increasing to 32% of total allocations by 1995. The Government also has improved the ratio of wage to non-wage or operating expenditures; wages declined from 67.6% of total recurrent expenditures in 1993 to 53% in 1996 while operating expenditures increased from 30% to 45%.

USAID and Germany's GTZ are the only major donors to concentrate their activities in technical assistance through external contracts and local organizations, rather than channeling the majority of aid through government structures.

6. Other donors' activities in the SO

At least 16 donor countries, multi-lateral agencies, and organizations currently contribute to Senegal's health sector. Though data on total health sector assistance are not complete, the following table summarizes recent and probable future commitments from selected major donors under the GOS's new Integrated Health Development Program (PDIS): ¹⁷

Table III.E. Other Donor Commitments

Donor	Recent Commitments	Future Commitments (est.)
France (FAC)		\$4.3 million after 1997 for 5 years
Canada (CIDA)	1995: \$2.5 million Canadian; STI/AIDS	to be determined
Japan (JICA)	1994: \$229,000; '95: \$90,940; '97: \$390,000	to be determined (likely large)
Norway		\$5.9 million after 1997 for 5 years
EU		\$25 million after 1997 for 5 years.
World Bank	1992-1996: US\$400 million (approx)	\$55 million after 1997 for 5 years.
WHO		\$4.3 million after 1997 for 5 years.
UNICEF	1992-1994: US\$9 million (approx)	\$16 million after 1997 for 5 years.
UNDP		\$1.2 million after 1997 for 5 years.
UNFPA		\$8.5 million after 1997 for 5 years.

Donor assistance to the health sector in 1990 amounted to US \$4.90 per person, the fourth highest level in sub-Saharan Africa. Thirty percent or more of total health budget and expenditures over recent years has been funded through foreign assistance, mostly for preventive health, for which nearly 100% of total expenditures are donor funded.

The PDIS systematically describes major health problems and each intervention by activity type, objective, zone of intervention, timing, and cost. It provides an assessment of needs, the duration of interventions and results expected, and the location and cost of interventions. The PDIS process provides a framework for donors to offer assistance in areas where they have comparative advantages. A formal government office, the *Cellule d'appui et de Suivi du Programme d'Investissement Sectoriel*, is being developed to monitor and coordinate assistance, serving as the liaison between the donors and the MHSA on a daily basis.

Numerous NGOs assist the GOS with some of its obligations at the field level, yet they require better GOS regulation and coordination. Although not yet operational, the MHSA is establishing a process for certifying and coordinating NGOs and their activities in the health sector. It likely

⁶ Studies by HYGEEA, July 1997, and Tulane University, REDSO Regional Project report, Dec 1997.

will build on two main features: (1) an existing private sector coordinating organization (CONGAD) to enhance capacities of local NGOs; and (2) a new Technical Review Commission for NGO activities. Coordination at the central level, however, remains quite weak and there is currently little collaboration between health sector donors and CONGAD (with the exception of USAID and UNFPA). USAID/Senegal has in fact been at the forefront of promoting rights and freedoms for Senegalese NGOs.

Quasi-formal, regular meetings are held among and between donors and the MHSA. Regular agendas address priority health and program planning issues, studies, and key event schedules. Membership is open to all donors working in the sector; leadership (currently held by the EU) is elected. The quasi-formal system of meetings has been most successful; formal coordination, though promising, so far is less effective. Coordinating more aid through NGOs presents major opportunities, but their capacity to manage larger, dispersed activities is not yet adequate, and barriers to free and fair competition among NGOs are formidable. While ideally the PDIS will serve as a supervisory, coordinating, and monitoring unit, there is concern that it could reinforce centralization within the GOS and MHSA and remain focused at the national level.

7. Illustrative approaches

The services selected over the months of strategy formulation reflect priorities established by the GOS/MHSA in its 1998-2002 national plan, USAID assessments and studies, and the needs expressed by USAID's partners and customers. Interventions will focus on the child survival, maternal health, family planning, and STI/AIDS services summarized below.

Child Survival :	Maternal Health :	STI/AIDS :
<ul style="list-style-type: none"> •Vaccination •Control of Diarrhea Diseases •Nutrition •Exclusive Breastfeeding •Acute Respiratory Infection •Malaria 	<ul style="list-style-type: none"> •FP •Prenatal Visits •Assisted Deliveries •Postnatal Visits •IEC 	<ul style="list-style-type: none"> •Treatment of STIs •Epidemiologic Surveillance of HIV Infection and STIs •IEC

USAID/Senegal intends to make full use of its comparative advantages such as a strong in-country technical presence and ability to leverage resources and policy change from host governments and other donors. As in the past, assistance will be concentrated in selected zones of the country, complementing similar regional emphases of other major donors within the GOS national plan. However, SO3 will also provide critical assistance to health systems at the national level through:

- *National-level commodity supply and logistics, including provision of contraceptives; equipment, protocols, and training for clinical methods of fertility regulation; and local production, national logistics, and retail distribution of oral rehydration packets. Interventions will include technical assistance to the contraceptive logistics management and tracking systems at the central, district, and community health facilities.*
- *Technical and clinical service quality (through KIR 1) to increase access to quality, both because quality services eventually lead to positive health outcomes, and because increasing people's perception of value generally increases their willingness to pay for*

services. The need for a national system of service monitoring and technical oversight to ensure quality is closely linked to the national supply of commodities. The MHSA sets standards of practice and establishes service guidelines for all providers in Senegal. As decentralized management takes over, MHSA supervision will become increasingly important for regulating service quality. SO3 will assist the MHSA in providing and upgrading technical standards and supervision of health services. The Mission will also work with the MHSA to strengthen pre-service training programs for midwives, nurses, and physicians. In SO3 focus districts, the Mission will ensure that MHSA standards are disseminated and applied by both public and private health providers. Technical assistance will also be provided to the national IEC plan, a critical element of increasing use of STI services and condom use for HIV prevention.

- *Analyses and policy, including close collaboration with partners in operations research and results dissemination; demographic and epidemiological analyses; and policy advocacy on mortality, fertility, and health systems.* The Mission will continue to pursue the privatization of contraceptive sales through its social marketing program: technical assistance will be provided to transform the current social marketing unit into a private organization capable of entering into contractual agreements with donors, the MHSA, and local governments. USAID intends to discontinue grant-type funding to this activity by the second year of the strategy.

SO3's research agenda will include operations research, demographic surveys and special studies, introduction of new technologies, and secondary analysis and integration of existing data sets for policy and management decision making. In addition, the Mission will continue to support HIV sentinel surveillance throughout Senegal, currently the only means available to the GOS for tracking the spread of the HIV epidemic. In response to recent data suggesting that HIV prevalence may be higher than previously measured, the Mission will work with the MHSA to strengthen surveillance capabilities and perhaps undertake separate studies to check current estimates.

USAID has been a key actor in the technical design of the emerging MHSA computerized data management system. Because the Mission expects to be one of the principle users of data from this system once it becomes operational, it will assume an advisory role to ensure quality and efficiency in this new apparatus.

SO3 will begin the new strategy period with a reduced number of U.S. CAs and comparatively greater support to the development of the Senegalese private sector. U.S. CAs will be focused mainly on *highly specialized technical assistance for technology transfer* (such as clinical methods of family planning) as well as *measurement and assessment* (demography, epidemiology, and policy work).

Achieving SO3 will involve the following cross-cutting themes: (1) *decentralization*, which offers the opportunity for better participation in health programs and use of services; (2) *partnership* between the public and the private sector to increase the availability and use of services; and (3) *integrated service delivery*, to conform with the policy and protocols of MHSA.

Activities under this SO will be designed to mobilize community and local government resources under Senegal's new decentralization laws, as well as under the well-functioning Bamako Initiative

cost recovery system for essential drugs. Programs will be strongly anchored in the new Senegalese legal framework for decentralized government planning, budgeting and decision-making, and will further capitalize on the new partnerships and modes of cooperation possible in this environment. The Mission will also make use of close collaborative relationships with the MHSA and various NGOs to more actively involve community outreach groups and other mechanisms for social mobilization.

The SO will seek maximum participation by private health providers, creating new partnerships with communities and local governments to improve and provide alternatives to MHSA services. Activities will build on cost recovery systems already in place and the population's demonstrated willingness to pay for higher quality services. To this end, a co-financing and performance requirement will be a central element of any intervention. Local participation and full engagement will be the trigger for USAID resources, and program "success" will be performance-based, for contractors as well as Senegalese partners. Interventions will be designed to enable performance-based evaluations.

The Mission will seek to leverage additional donor resources and engagement through its continued technical leadership and presence in the community, ensuring the maximum impact from inputs. Specific areas of involvement under each KIR include:

- KIR 3.1: Improving the functionality of existing public Service Delivery Points (SDPs) and reinforcing and/or creating private SDPs. Synergistic activities under SO1 will be help to create an appropriate environment for promoting the private health sector.
- KIR 3.2: Increasing the population's perception of the individual and family-level benefits of the selected RH services. The Mission will develop innovative IEC strategies to increase the participation of opinion leaders, the private sector, NGOs and other community partners.
- KIR 3.3: Strengthening the financial and administrative management capacities of local governments and NGOs, and improving the legal and regulatory framework for health financing in the context of the decentralization laws. Synergy with SO2 (strong and sound policy dialogue) will be crucial for achieving this KIR. Activities will also reinforce the Bamako Initiative and develop alternate forms of financing for the health care system, such as mutual health insurance.

While USAID may have numerous Memoranda of Understanding with local entities, management limitations and accountability requirements mitigate against direct funding to partners and/or beneficiaries. Therefore, an independent, preferably local contractor or grantee agency working for USAID under a performance-based contract or Cooperative Grant Agreement will have day-to-day contact with local governments and other partners at the regional level, monitor activities, and handle disbursements.

The types of mechanisms to be put in place will be based on some parameters that can be controlled by USAID and others that are yet uncertain because of the newness of the environment to USAID and its partners. Key considerations are:

- Local governments now control financial resources, both those transferred by central government and those levied locally. Funding for health activities will mainly come from these two sources. The cooperation mechanism must protect the Mission against the risk of illegal actions taken by local governments.
- USAID requires that counterpart and local financing be a precondition to any funding of activities. The cooperation mechanism will have to include checkpoints and verifications to ascertain that funds are actually made available by local counterparts, especially central government funds whose amount may vary from year to year.
- USAID intends to support only those groups and operating units that are able to produce results. Memoranda of Understanding signed with CLs will be renewed annually, based on performance indicators with early warning signals in case of poor performance.

8. Sustainability

SO3 undertakes not only to increase use of key public, preventive health care services but to do so in ways that are oriented explicitly towards long-term sustainability, even at the risk of decreases in near-term results in public health. The GOS decentralization movement is itself intended and designed to foster more durable development, less dependence on remote central controls and expertise, and greater basis on local vibrancy and empowerment.

The many features of sustainability in the SO3 approach have been discussed throughout this section. However, the nuance of this strategy concerns KIR3, promoting significant increases in domestic financing for preventive health in the geographic areas to be served by USAID. Apart from its application to the health sector, this new emphasis is intended to be synergistic with the Mission's other two SOs, private sector and decentralization, and is the most sensitive aspect of SO3 from the point of view of the Senegalese.

9. Magnitude of impact

This program aims at: (1) strengthening RH activities in the existing public SDPs; (2) expanding these services in the private sector (including NGOs); (3) involving as many grassroots organizations as possible in providing preventive care services; and (4) reinforcing the coordination of donor interventions. Anticipated nationwide impacts include doubling the levels of use for key infant/child preventive services and maternal health services as well as improving other key indicators discussed below.

The Mission's current health portfolio (including CS, MH, FP, and STI/AIDS services) covers 33 of Senegal's 44 health districts. The population in each district averages between 150,000 and 200,000. Based on past and present experience, the Mission anticipates a similar magnitude of impact for SO3, given similarities in annual levels of funding. Expected results have been developed for each of the performance indicators, shown below in the Section 10 table, *Performance Indicators (National/Target Areas)*, for the years 2000 and 2006, based on available baseline data from 1996. Results for "Target Areas" can be developed only after specific baselines are calculated following selection of geographic areas for intervention. The Mission does not presuppose the nationwide implications of proposed policy dialogue and institutional development.

Under a high-funding scenario, KIR1 and KIR2 results could be increased during the out-years of the strategy by an NPA program that would: (1) accelerate national-level reforms for hospital autonomy, pre-service medical and para-medical curricula and personnel deployment, and devolution of responsibilities under decentralization; and (2) reduce loan burdens acquired by the GOS.

10. Performance Indicators

SO3: Increased, sustainable use of selected reproductive health services (child survival, maternal health, family planning, and STI/AIDS) in the context of decentralization in targeted areas.

Performance Indicators (National/Target Areas)	Baseline: 1996	2000	2006
• Contraceptive prevalence rate increased	7.1%	8.9%/?	15%
• % condom use with non-regular sex partners increased	29%	?/?	50%
• % of pregnancies receiving one or more prenatal visits increased	82%	85%/?	98%
• % of children fully vaccinated by age one increased	39%	45%/?	65%
• % of child diarrhea cases treated with oral rehydration therapy increased	33%	35%/?	60%
• % of infants exclusively breast-fed increased	14%	15%/?	30%

Cost: \$68.8 million over 8 years

The contraception prevalence rate (DHS definition), is a widely accepted indicator of use of primary health care services. Family planning is by far the least used of the complement of primary health care services, so increases in this indicator will be highly correlated with overall improvements in service delivery. In addition, the new strategy builds on the preceding one, which focused on fertility and family planning with prevalence of use of contraception as a key indicator. The next indicator, *reported condom use with non-regular partners*, measures a key aspect of behavior for STI/HIV prevention in high risk situations. This indicator refers to condom use with non-regular partners in the general population, rather than the more standard denominator, "high risk" groups. This reflects a growing, worldwide strategy of HIV/AIDS prevention programs aimed at general populations and is appropriate in Senegal to stabilize the current low level of sero-prevalence.

Prenatal consultations among pregnant women is a standard, crucial measure of maternal health service use. In Senegal, GOS guidelines urge a minimum of three prenatal visits for each pregnancy. This will be monitored by the MHSA Health Information System currently in place. The total number of pregnant women who benefit from one prenatal counseling session in the target areas will be reported--not just those with physical access to a service delivery point.

Three indicators were decided upon at the SO level to measure modification of behavior toward use of CS services. *Vaccination coverage* is perhaps the most widely accepted measure, here intended to indicate progress in complete vaccination (as recommended by WHO) of children by

age one, to be estimated among children 12-23 months and based on review of vaccination cards. *Oral rehydration therapy use* is widely accepted as a measure of the use of oral rehydration salts, and/or recommended home fluids to treat diarrhea among children under five. *The rate of exclusive breastfeeding* has been included to monitor progress in the improvement of nutrition behaviors among women with infants 0-4 months.

KIRs deemed critical to the attainment of SO3 and their principal indicators are shown below. This structure of results and indicators constitutes an analytically sound strategy framework based on intensive and extensive consultation and a thoroughly participatory process that should assure unusual consensus in Senegal on objectives, results, and measures of progress. Further adaptations and improvements will be made based on USAID/W CSP reviews and during preparation of the SOAG for SO3.

KIR 3.1 Improved access to quality services

- % of population living within 5 kilometers of a functioning SDP
- % of population living more than 5 kilometers from an SDP covered by outreach
- % of women with 3 prenatal consultations during their most recent pregnancy
- % of correct case management according to MOH protocols
- Couple Years of Protection (public sector; possible estimates for private sector)
- % of FP clients who have used any modern FP method on a continuous basis in the past year

The first two indicators estimate aspects of physical access of the population in the target areas to fixed, functioning service delivery points (SDPs), and to community-based outreach agents in areas with no or very limited infrastructure. Quality is assessed through the operational definition of “functional”. The next indicator, three prenatal consultations, gauges access through level of participation and also indicates quality, as does the fourth indicator, case management, a key indicator of health worker performance at SDPs. Couple Years of Protection (CYP) estimates access, though it often is taken as a proxy for prevalence of use of modern contraception during years when sample survey data are not available. It is based on service and logistic data regarding distribution. CYPs under the new strategy will be based more on local-level distribution than previous national-level distribution and therefore should be closer to client use. The final indicator also addresses questions of quality, as longer-term use typically reflects higher quality of services.

KIR 3.2 Increased demand for services

- average desired family size
- % of women of reproductive age who state intention to use RH Services
- % of population who know of at least two methods for prevention of STI/AIDS;
- % of women of reproductive age who know of at least two preventive measures, including proper case management, for acute respiratory infections, diarrhea, malaria, and malnutrition

Demand is difficult to estimate, in part because it often is expressed definitively only at the time of direct need or at the point of consumption. Nevertheless, it is possible to measure levels of knowledge of benefits of specific services and/or behaviors with the assumption that if actual benefits are high and knowledge of these benefits is high, then practice usually will follow. Desired family size has been highly correlated with demand for and practice of family planning

in research across the globe. Though expressed desire for smaller families is influenced by factors well beyond the scope of program interventions, it also can be influenced by deliberate demand-generation activities, is highly indicative of underlying demand, and is relevant to program management and measurement of impact. The remaining three indicators reflect prevailing knowledge and intentions with respect to key types of reproductive and child health services. They have been successfully measured in the past in Senegal and are based on MHSA program priorities.

KIR 3.3 Greater financing from internal sources

- amount of annual real per capita health budget (target areas) furnished by internal (Senegalese) resources (e.g., taxes or other regional/local funds)
- annual real budget of service delivery points (target areas)
- % of service delivery points (target areas) that received (x)% of expected local government transfers by (y) date

At present three indicators have been chosen to assess progress toward greater internal financing of health in Senegal, reflecting the view that real increases in local budgets, overall service provider budgets, and timeliness and functioning of disbursement of funds from the local government to service providers constitute the core requirements for attaining the intended results. The first relates directly to the KIR in estimating the trend in Senegalese resources. The second monitors overall budgets of the SDPs to evaluate how funds are being mobilized by the SDPs themselves. The third reveals the success and/or problems of decentralization and the efficiency of the system in disbursing planned resources.

F. MONITORING AND EVALUATION FRAMEWORK

1. Conceptual overview

The ADS Series 201.4.47 defines the Performance Monitoring Plan (PMP) as a detailed plan for managing the collection of data for monitoring performance. The PMP contains information for gathering data on the SOs, KIRs, and IRs, as well as critical assumptions. To this end, it: (a) defines the indicators to be tracked; (b) specifies the sources, methods of collection, and schedule of collection for each type of data required; and (c) assigns responsibility for collection to a specific office, team, or individual. While a review of the Mission PMP by central or regional bureaus is not required (ADS E203.5.5b), USAID/Senegal has already begun to develop its plan, in accordance with the reengineering core value of management for results. The Mission expects to finalize its PMP in May/June 1998 after the initial Results Packages are defined.

While items (b) and (c) of the PMP are not yet finished, the indicators for USAID/Senegal's PMP were defined in workshops with partners and customers during August and September 1997. In November 1997, two consultants from Management Systems International (MSI) and CDIE helped the Mission address issues relating to the PMP. This two-week technical assistance improved the causal relationships within the Results Framework and helped refine performance indicators.

Involving various stakeholders, partners, and customers in the PMP development process not only ensures a more representative and responsive design, but it also transfers the responsibility for routine monitoring and information-gathering to partners and customers. They in turn can develop their own monitoring and communication networks, which must be compatible with those systems found in funding sources (like USAID). This participatory approach lays the foundation for increased effectiveness and ownership.

USAID/Senegal can benefit from monitoring and evaluation lessons learned during the prior strategy period. Some of the problems identified in the past included:

- Poor integration and networking with partners and customers;
- Absence of standard data collection methods;
- Lack of scheduling for data acquisition, analysis, and use;
- Lack of definition of responsibility and accountability for data collection;
- Lack of systematic performance monitoring at the activity level;
- Inadequate baseline data; and
- Lack of staff trained in M&E at the SO and activity implementation level.

The shift to performance-based contracting and results-oriented grants may help to overcome these M&E issues at the field activity level. In addition, efforts to address past problems have led to new M&E strategies in the Mission. These should result in:

- Improved coordination of data collection and recording;
- A more systematic liaison with partners and customers; and
- Increased access for decision-makers to on-line capabilities and databases.

As part of the M&E plan, USAID is considering assigning an M&E specialist to each SO Team to serve as an interface between the Team, its related partners and customers, and the larger Mission M&E unit. The Mission will also recruit a full-time USDH to coach the M&E unit. The M&E specialists for the SOs would be regarded as the "satellite staff" of the M&E unit. The M&E unit would provide the specialists with guidelines and technical support for formulating M&E analytical agendas, which would then be shared with the SO staff, partners, and customers.

2. Process overview

At this juncture, the challenge remains to create an M&E plan that responds to management needs. Currently, a lack of defined target areas and/or selected sectors for the program does not easily allow for the collection of baseline data and the identification of specific performance targets. Only one of the three identified SOs (SO3, HPN) can use data sources and methodologies from past interventions. The other SOs are confronted with the following procedural development issues:

How often, and at what points, to conduct performance reviews;
 What sources of information to draw upon for the reviews;
 Whom to involve in the reviews;
 What types of issues should be reviewed; and
 How to assess the need for evaluative activities.

Nevertheless, USAID/Senegal has identified several indicators at the SO and KIR levels for each of the three SOs. Aside from the demands of actual monitoring, several specific issues related to data collection and calculation will be addressed and clarified. For example:

Data collection challenges for SO1 are related to the entities monitored: all SMEs compared with SMEs supported by USAID's program.

SO2 indicators must address the multiple levels of local governments as well as the coverage of local institutions.

SO3 indicators must be comparable over time because of the possible differences between periodic surveys and the interim data necessary to meet annual reporting requirements.

Annex E describes the SO and KIR-level indicators in detail, providing definitions, units of measure, data sources, and methods of data collection/calculation for each. Once the Mission's scope of intervention is determined, the availability of baselines and targets will be addressed along with reporting requirements and comparability over time.

G. SUPPORT FOR USAID'S GLOBAL OBJECTIVES

As USAID/Senegal begins its new strategy, there are a number of on-going global or regional Agency activities that the Mission continues to support, even though they may be only tangentially linked to the new SOs.

The Sahel Regional Program (including the Club du Sahel) has several programs that foster West African coordination and exchange of lessons learned. USAID/Senegal supports many of these efforts, and occasionally provides supplemental funds for activities that have particular bearing on the achievement of Mission objectives.

USAID/REDSO/WCA's Family Health & AIDS Control project provides, generates and shares best practices across West Africa. Senegal in particular benefits because Dakar is frequently the site of regional conferences and workshops on health system reforms.

The *USAID/U.S. Energy Administration's Energy Partnership for Africa* has created an exchange arrangement between Senegal's National Electric Company (SENELEC) and GPU, Inc., a New Jersey-based power and utility company. With this partnership, SENELEC gains knowledge about energy efficiency, management systems, and financing, while a U.S. company gains a base in West Africa. Senegal's business climate improves through the jobs created by lowering the energy costs of production. Furthermore, efficient electricity production benefits the environment.

In the area of NRM, a *Small Project Assistance Agreement* between Peace Corps and USAID/Senegal will continue through FY 1999. This program provides technical assistance and training to improve the design and management of sustainable community development efforts.

The West Africa Bureau's *EAGER Project* seeks to increase decision-makers' use of economic and social research on key issues related to economic growth. This meshes well with KIR 1 of SO1, *improved legal, regulatory, and policy environment*. The Global Bureau's *Loan Portfolio Guarantee Program* has been requested by a private bank to finalize an agreement as soon as the Mission's new strategy is approved. The program encourages banks to expand their client base in keeping with SO1's KIR 2, *improved access to financial services*.

Finally, the *Leland Initiative* can contribute to the USAID strategy in three broad areas: (a) improving the policy and regulatory climate so that access to internet is broadened; (b) expanding internet connectivity to rural areas and to key institutions such as specialized schools and training centers; and (c) fostering greater knowledge of the information that can be found on the internet. Future Leland activities are possible under each of the SOs:

- Under SO1, internet development has great potential as already demonstrated by a web site that provides information about rice marketing. Using Leland resources, the Mission will consider developing similar web sites to promote commercial objectives.
- Under SO2, the Mission will explore designing an *Intranet* among local governments in a region, with further access to the global internet.

PART IV: ANNEXES

ANNEX A: BIBLIOGRAPHY OF KEY BACKGROUND STUDIES

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ANNEX B: CUSTOMER SERVICE PLAN

INTRODUCTION

The Customer Service Plan (CSP) was prepared within the general framework of the reengineering process begun by USAID in general, and USAID/Senegal in particular, in 1994. This process, which seeks efficacy and efficiency in the delivery of development assistance, marks a dramatic departure from past approaches. Five core values underlie the reengineering philosophy:

- Results orientation
- Customer focus
- Teamwork
- Empowerment and accountability
- Partnership and participation

The objective of a Customer Service Plan is to make these values tangible realities. It is a tool that USAID/Senegal will use for improving the quality of its services in order to meet the needs and expectations of its customers. It allows for identification and analysis of the nature and quality of the various links in the chains leading to end-users of USAID programs. At each implementation phase, it helps to reach customers, assess their satisfaction level, and elicit necessary feedback for integration into planned activities.

The CSP, as conceived by USAID/Senegal, is a participatory and iterative document. Its demand-driven approach provides a framework for seeking and ensuring full customer participation in the planning, execution, monitoring, and evaluation of services or programs, not only on technical grounds, but with respect to administrative and financial methods and procedures. It defines agreed-upon norms for assessing the quality of *delivered* services, as judged by clients and partners. Customers are identified for each service provided, and their satisfaction is analyzed based on gender, geographical area, living conditions, and other factors.

The Customer Service Plan will serve as a guideline for identifying and assessing activities under the CSP as well as the potential for continuous improvement. It will be adjusted as needed according to changes in the development environment and lessons learned.

1. MISSION VISION STATEMENT

USAID/Senegal is committed to contributing to the sustained prosperity and empowerment of Senegal's people. It seeks to foster collegial, participatory relationships with partners and customers. The Mission will work together to produce high-quality results. Its members respect one another, value individual creativity and diversity, and encourage innovation and rigor.

2. RESULTS FRAMEWORK

In support of the goal of *long term sustainable development*, the new Country Strategic Plan, covering the period 1998-2006, is founded on the key concept of *empowerment*. The Mission's willingness to promote this concept and make it real stems from a fundamental lesson learned from its own experience and the experiences of other partners in Senegal and worldwide over the last four decades. At one time, the general tendency in the donor community, including USAID, was to spend large amounts of resources on immediate, rather than sustainable, development activities. Effects ceased with or shortly after the termination of assistance. It is now evident that worthwhile, lasting results from development assistance must instead *endow targeted communities with the moral confidence, the social and institutional capital, and the technical ability to identify and address their needs themselves*. To this end, USAID/Senegal's strategy focuses on a three-faceted objective of promoting economic, political and social empowerment. This overarching objective is, for operational purposes, divided into the following Strategic Objectives (SOs) and Key Intermediate Results (KIRs):

SO1: *Sustainable increases in private sector income generating activities in selected sectors.*

KIR 1: Improved legal, regulatory, and policy environment;

KIR 2: Improved access to financial services (for small and microenterprises); and

KIR 3: Increased use of best technical and management practices.

SO2: *More effective, democratic, and accountable local management of services and resources in targeted areas.*

KIR 1: Increased capacity of local institutions;

KIR 2: Increased access to financial resources;

KIR 3: Popular participation in the management and oversight of local affairs; and

KIR 4: More effective implementation of policies and regulations related to decentralization.

SO3: *Increased and sustainable use of reproductive health services (child survival, maternal health, family planning, and STI-AIDS) in the context of decentralization in targeted areas.*

KIR 1: Improved access to quality reproductive health services (CS, MH, FP, STI/AIDS);

KIR 2: Increased demand for reproductive health services (CS, MH, FP, STI/AIDS); and

KIR 3: Increased and effectively mobilized financing of health services from internal sources.

To begin achieving these results, USAID will conduct a nation-wide information campaign to explain these goals, describe our procedures, and request submission of proposals from local Senegalese to join USAID in a partnership. USAID will also bring to this partnership contractors/grantees to help implement the development activities. These activities will be given greater specificity in Results Packages which will be completed after the first round of selection among Senegalese proposals.

3. PRINCIPLES

Ownership and *participation* are the two basic concepts guiding the implementation of the new country strategy. These concepts are translated into a set of key principles for delivering USAID/Senegal's development assistance. Because of the unique challenges imposed by a demand-driven strategy, these principles provide the Mission and its partners with a reference for selecting activities, zones, partners and types of interventions to achieve results as set forth in the Results Framework.

The principles defined here broadly showcase the operating values adopted by the Mission and its partners. Originally, eight principles were proposed by USAID partners during the various meetings and seminars leading to the definition of the CSP. Further discussion and analysis reduced these to three over-arching principles that should characterize USAID/Senegal's approach to its new CSP: *Management for Results, Partnership, and Good Governance*.

3.1 Management for results

This principle combines three ideas proposed during the CSP validation workshop: (i) better relationship between resources levels and expected results; (ii) performance-based contracts; and (iii) management for *results* (not outputs).

3.2 Partnership

The development process of this CSP exemplifies what can be achieved through partnership. For ownership to be secured, and sustainable results achieved, partnership is clearly vital. USAID's partners share this vision through four distinct elements of partnership:

Sufficient information is the condition that sets the foundation for any profitable partnership.

Considering the demand as a central part of the process is the mechanism that allows ownership to take place. Greater client commitment can be expected if needs and activities are identified and satisfied directly through the client.

Partners and customers' contributions can be seen as the risk-sharing mechanism that is an important component of any partnership. It reinforces the sense of ownership and greater involvement from contributing partners.

Finally, *coordination with other donors' programs and activities* reflects the desire to avoid duplication of efforts and wasted energy, thereby maximizing the impact of available resources.

3.3 Good governance

One of the most significant outcomes of the Mission's customer survey was the strong feeling that to achieve any result, all aspects of bad governance should be addressed and good governance promoted. Furthermore, good governance is an element of participation since an important aspect of participation is the definition of a common code of conduct.

4. RATIONALE FOR A DEMAND-DRIVEN APPROACH

Development assistance traditionally has taken a supply-driven approach: donors define their priorities and resource levels, and then accordingly provide help to beneficiaries. This approach over the past 37 years in Senegal has had many successes, but also the following weaknesses:

- Mistakes have occurred from the outset because decisions were made without involving the customers in program/activity design. Consequently, results have been mixed.
- Recurrent costs are seldom borne by the customers, resulting in a collapse of development programs/activities once donor funding stops. Customers refuse to finance development priorities defined by others, and therefore do not take ownership or ensure sustainability of what is proposed.
- The central government has been the donors' primary decision-making partner in setting development priorities and determining activities and implementation mechanisms for the population. This has resulted in a failure to take into account specific socio-cultural factors, and has turned the population into passive consumers of the goods and services provided under the proposed development programs or activities.

Because it emphasizes customer ownership of results as the key to sustaining those results, the Mission's demand-driven approach to its CSP should effectively remedy these weaknesses. Under former development paradigms, the Mission would have already selected geographic areas for its work, and then proceeded to hire contractors to select particular customers to work with. Under this new paradigm, the Mission will allow the most dynamic and interested customers to identify themselves (self-selection) in response to an advertising/solicitation campaign that presents what USAID has to offer (its Investment Proposal) and seeks proposals for achieving specific results. In responding to these proposals, USAID will select its areas of intervention and its targeted customers and partners in accordance with the principles and criteria outlined in this annex.

5. PROPOSED IMPLEMENTATION PROCESS

Outlined below are initial thoughts on how the Mission will finalize its baseline, targets, and magnitude of impact expected.

5.1 Outreach program

An outreach campaign will be initiated nationwide using a local contractor to work closely with a team including staff from USAID, the GOS, NGOs and private sector organizations. The primary objective of the campaign will be to inform the Senegalese people of the opportunities under the new strategy and to encourage potential customers and partners to submit proposals to USAID/Senegal describing how they would achieve some of the results specified in the Mission's RF. Various communication channels (i.e., national, local radios and TV) will be used to reach the largest possible audience.

- *Content of the campaign.* The outreach campaign will furnish adequate information about the proposed strategic objectives and planned results. It will present the principles and criteria set for proposal selection, and will include illustrative activities. It will also describe the entities eligible for program assistance, as well as the format, content, and submission schedules of program/activity proposals.
- *Eligible entities.* The customers and partners targeted for developing and submitting program/activity proposals will include: locally-elected councils in Senegal's 10 regions, 60 urban communes and 320 rural communities; 300+ PVOs/NGOs; grassroots associations (primarily of youth or women); private business organizations and associations; decentralized financial organizations; banks; chambers of commerce; private sector support institutions; health committees; health districts; the GOS partner Ministries; the National Assembly; and the Social and Economic Council. It is preferable (and possibly a requirement) that proposals be submitted by an urban, rural, or regional governmental entity to demonstrate a coordination and synergy of efforts within a certain geographic area.

These partners will be encouraged (without USAID financial assistance) to further disseminate the campaign information and to even help with the formulation of the proposals.

5.2 Initial implementation actions

- *Results Package development.* As soon as the Mission completes the CSP, and during completion of the Results Review, Resource Request in February, the Mission will begin to develop the Results Packages (RPs). While RPs may not be finalized until after local customers have been selected, the RP exercise will at least identify certain activities that can be initiated in the first year.
- *SOAG preparation and signing.* The steps described above lay the foundation for the Mission's preparation of the Strategic Objective Agreements (SOAGs), at the latest in August 1998, and their approval by the GOS before the end of September 1998.
- *Completion of contracting/granting scopes of work.*
- *Launching of an outreach campaign.*
- *Establishment of a selection committee.* USAID/Senegal will establish an internal selection committee, assisted by limited involvement of partners (avoiding conflicts of interest or inappropriate involvement in an inherently USG function).
- *Receipt, processing, and selection of proposals.* Prior to receiving the first proposals, USAID/Senegal will use a contractor to assure that the proposals/dossiers received are complete and organized for easy review by USAID. This will require that the contractor have in place a means of interacting with the proposal writers. After the Mission has received solicitations from potential customers for assistance/partnership, Mission personnel will screen the requests against the criteria disseminated at the time of the solicitation.

- *Establishment of baselines and targets.*

6. PARTNERS, CUSTOMERS AND THE CUSTOMER CHAIN

For its interventions in Senegal, USAID/Senegal will use resources made available by the U.S. Government through USAID/Washington. These *stakeholders* (along with individuals and organizations whose livelihood depend on the program financially) set the parameters for interventions and require regular reports on progress toward each of the Strategic Objectives defined. The continued support of the stakeholders is contingent on the ability of USAID, implementing agencies, host country partners, and customers to achieve specified performance targets.

The Mission's *customers* are the people of Senegal, including those groups that are politically marginalized, economically weak, and socially disadvantaged. These special groups will be the primary targets, or *ultimate customers*.

In designing its programs and selecting intervention zones, USAID/Senegal will consult and coordinate with the major *donors* in its target sectors. In the area of decentralization, the most active donors include the EU, the French Development Agency (*Caisse Française de Développement*), CIDA, GTZ, the World Bank, and UNDP. Key donors supporting the private sector are the World Bank, the French Development Agency, the KfW/GTZ, and UNDP. The lead donors in the health and population sector are FNUAP, UNICEF, WHO, AGCD (the Belgian Development Agency) and the World Bank.

To reach its ultimate customers, USAID/Senegal will rely on a chain of *intermediaries*. The first link in the chain connects the Mission to its *grantees and contractors*. Activities supporting results packages developed under each strategic objective will be executed by a limited number of contractors and grantees. Due to internal USAID procurement integrity concerns, these prime contractors or grantees will mainly be U.S. for-profit firms, voluntary organizations, and education or research institutions. However, a heavy emphasis will be placed on their utilization of Senegalese personnel and/or institutions wherever possible.

Thus, in most cases, host country institutions (associations of private entrepreneurs, local NGOs, universities, and research centers) will be *sub-contractors or sub-grantees*. USAID/Senegal will make sure that the rules and arrangements established by its prime contractors and grantees for selecting and collaborating with host-country partners are open, fair, and transparent.

The most crucial link in the customer chain is the connection between the intermediate customers (prime contractors and grantees, and their host-country partners) and the targeted end-users. These end-users (the ultimate customers) cannot generally be reached directly, even at the grassroots level. The interlocutors for the Mission's activities, therefore, are typically *customer representatives*: individuals and/or institutions who represent the ultimate customers. Customer representatives include government field agents, elected officials, and leaders of community-based organizations such as village development associations, home-town welfare associations, women's groups, youth organizations, small businesses, and professional associations.

USAID/Senegal is aware that grassroots views and interests often are not reflected in local leadership and policies. The current strategy will address this issue by improving local governance through the establishment of transparent and democratic procedures for designating leaders at all levels. The Mission intends to promote internal democracy in all groups and institutions targeted by or using its development assistance resources. While the emergence of a democratic culture will take time, it should eventually lead to a dramatic improvement in true representation at all decision-making levels.

In promoting its operational principles, USAID/Senegal will also be particularly vigilant in ensuring that the grassroots perspective is not distorted by local leaders or by intermediate customers. The staff, Strategic Objective Team members, and members of the Customer Service Committee (see below) will undertake frequent field visits to elicit direct feed-back from end-users and to verify reports from implementing partners against realities in the field.

7. CUSTOMER CONSULTATION STRATEGY

The primary purpose of customer consultations is to establish mechanisms for collecting needed information on the quality of services provided by the Mission's implementing partners and intermediate customers. More generally, the consultations provide a means for establishing a framework for two-way communication along the customer chain, from USAID to end-users.

7.1 Responsibilities of Strategic Objective Teams

The Strategic Objective (SO) Teams are responsible for implementing the Customer Service Plan. Each Team will designate a Customer Service Contact Person (CSCP), whose primary role is to serve as an interface between the SO Team and its customers and partners. The CSCP will ensure that findings from the customer consultations are used by the SO Team to improve the quality of its services.

7.2 Coordination at the Mission level

A Customer Service Committee (CSC) is responsible for coordinating the customer service activities initiated by SO Teams. The Customer Service Committee is chaired by the Mission Deputy Director and is composed of SO Team CSCPs and SO partner representatives as appropriate. The Sociologist of the Mission serves as the coordinator of the CSC.

7.3 Periodic customer satisfaction reviews

Semi-annual Activity Implementation Reviews provide an opportunity to review aspects of customer service. Prior to each Activity Implementation Review session, the CSC will prepare a customer service issue paper.

7.4 Reporting on customer satisfaction

The Mission will report annually, as part of the R4 exercise, on customer satisfaction indicators included among the impact indicators. Possible indicators include:

- (SO1) The proportion of surveyed economic agents that report improvement in the business climate;
- (SO2) The percentage of CRs (rural councils) whose populations are satisfied with the exercise of defined authorities;
- (SO3) Customers' rating of the quality of services provided in targeted service delivery points.

The Mission will also explore the utility of having an annual Customer Satisfaction Survey, in addition to the reporting done under each contract and grant.

7.5 Consultation and coordination with other donors

SO Teams will be represented in relevant donor-coordination fora such as the Donor Informal Consultation Committee on Decentralization, the Donor Consultative Committee on Health and Population, and the Informal Donor Coordination Group on Gender.

7.6 Implementation schedule

The Customer Service Plan developed for the current strategy (1992-1998) will be implemented until September 1998. The current Consultative Committee for Participation and Partnership (CCPP) will review and validate the new Customer Service Plan. The Customer Service Committee will meet quarterly to review and coordinate customer service activities undertaken by the SO Teams, preparing a customer service issues paper for each Activity Implementation Review session.

8. CRITERIA FOR SELECTION OF PARTNERS, ACTIVITIES, AND ZONES FOR INTERVENTION

A set of criteria defined by USAID/Senegal and its partners will help select among competing activities, zones, partners and types of interventions, and will guide the successful implementation of the new strategy:

8.1 Criteria for impact

The impact of proposed interventions will be determined by three major elements: scope, gender considerations, and effects on the environment. The following four criteria will help measure the magnitude of impact:

- *Potential for synergy between SOs and partners/other donors:* the extent that activities undertaken or planned by partners during the same period contribute to the achievement of the results that are greater than the sum of the individual activities;
- *Size of the customer group:* the importance of the population benefitting from the intervention;
- *Gender considerations:* the extent to which proposed interventions will address existing gender issues; and
- *Development potential of the area:* the intervention's potential for making best use of human, financial and natural resources, as well as the creation of secondary development poles.

8.2 Criteria for sustainability

The sustainability of the proposed intervention will be assessed with regard to the following seven criteria:

- *Consolidating/capitalizing on experiences with USAID and/or other partners.* USAID and other partners have contributed to various activities during their long presence in the country. This criterion will permit the integration of successful experiences into proposed programs;
- *Clients' real contribution.* This criterion is one of the basic steps towards sustainability. It provides a valid impression of clients' ownership of and commitment to the intervention. The Mission and its partners have agreed that the level of client contributions will be modulated according to program type, within a range of 25% to 50%;
- *Economic, financial and/or social profitability.* This criterion will help measure the program potential for generating revenue and promoting well-being. These will also contribute to ensuring sustainability;
- *Natural resource conservation.* Adequate management of natural resources is key to environmental protection and an important element of sustainable programs;
- *Organizational and managerial capacities.* This criterion refers to the quality of the organizational structure and management practices;
- *Transparent operation of institutions.* Sustainability is closely dependent on the adoption of proper rules, regulations, and guidelines for internal *and* external program operations. These implementation elements will be weighed through this criterion;
- *Security in the area.* This criterion will ensure the safety of employees and institutional contractors in the field. A violence-free climate is also a pre-condition for sustainable as well as short-term development.

8.3 Importance of "need" as a criteria

To the extent that there is a trade-off between achieving sustainable results and assisting the neediest communities and/or individuals, this CSP emphasizes the former. There are several reasons for doing so:

- Other donors in Senegal, such as UNDP and the IBRD, have specific foci on poverty alleviation;
- USAID/Senegal has conducted such programs in the past with very mixed results;
- USAID/Senegal's demand-driven approach brings a sharper focus on results as the best way to achieve sustainable long-term development for Senegal; and
- This approach remains sensitive to the needs of the poorest communities by responding to people and communities that both need assistance and are willing to achieve results with that assistance.

Certain mechanisms inherent in this CSP will help to address the needs of "the very poor." First, the strategy clearly represents a departure from assistance heavily to and through the central government, which has often failed to reach the needy. This CSP instead continues a trend toward greater assistance to and through PVOs/NGOs.

Second, by helping Senegal successfully implement the Decentralization Law, USAID will indirectly reach the poor. Because the central government has acknowledged its inability to effectively do so, a new decentralized structure is expected to better allocate resources and responsibilities to these neglected groups. *(Please refer to the Foreword, the Introduction to Part II, and the "Principles" section of this Annex for the rationale guiding this CSP's focus on making Senegal's decentralization process more effective.)*

Finally, USAID's customers will be identified only after an Outreach Campaign is conducted. Realizing that proposals will mainly come from groups that are skilled in preparing them, and, conversely, that the greatest results may come from working with groups who may not have these skills, the Outreach Campaign will take extra measures to ensure greater equality in the application process. These will include, for example, the use of local languages, clear instructions for completing the applications, and where necessary, technical assistance in the preparation of the applications.

9. STANDARDS OF USAID/SENEGAL PERFORMANCE

Each year, as part of its Results Review and Resource Request (R4) exercise, the Mission will review the performance of each of its contractors and grantees. *The continuation of funding will be based on satisfactory performance.* Low performance, if not justified by factors outside the manageable interest of contractors and grantees, will be sanctioned by termination of funding. The same principles should prevail at all levels in the customer chain, from grantees and contractors to intermediate customers, and from intermediate customers to end-users.

USAID/Senegal will strive to reduce routine administrative paperwork within its offices, and to devote the majority of staff time to the achievement of tangible development results. The Mission will further improve relationships with clients by maintaining an open-door policy for partners and customers, and by establishing a permanent forum for dialogue.

Financial procedures will be simplified and reporting requirements minimized for grantees and contractors. Even so, USAID/Senegal will expect these groups to maintain high standards of reporting and sound financial management and accounting principles.

ANNEX C: GENDER CONSIDERATIONS

Years of research have shown that women in Senegal require targeted interventions to counteract gender inequalities. In the development of its new strategy, USAID/Senegal has considered several gender issues that will be addressed through its Strategic Objectives. In this annex, each SO is examined from a gender-perspective for opportunities to advance gender-equitable development. In some cases, programmatic recommendations are provided for minimizing potential biases against women.

Strategic Objective 1. Sustainable increases in private sector income generating activities in selected sectors.

While women represent only 15% to 26% of the civil service¹⁸ workforce, they comprise 40% of the employees of the private sector.¹⁹ The vast majority of this employment, however, is in the informal sector. A survey conducted in 1990 for USAID/Senegal found that less than 10% of the permanent employees of formal sector firms operating in Senegal were women. The study also noted that most of these women held lower-level, less skilled, and lower paying jobs.²⁰ In contrast, a concurrent study found that a greater proportion of women held permanent jobs in the informal, small-business sector, and had greater access to management functions.²¹ USAID/Senegal's experience from the ACEP and KAED activities has confirmed the prominent role of women in this sector. The 1995 Technical Evaluation of the Kaolack Agricultural Enterprise Development activity, for instance, found that more than 80% of the members of the agricultural enterprises working with KAED were women.²² Moreover, another recent survey showed that Senegalese women exercise a quasi-monopoly over the trade of fruits and vegetables in market places. In the horticultural sector as a whole, they represent more than 40% of retailers.²³

USAID/Senegal's first SO, which aims at increasing private sector income generation in small and microenterprises and the informal sector, is designed to have a positive impact on women. This

These figures are respectively from (a) *Femmes Sénégalaises à l'Horizon 2015. Etude Prospective*. GOS:Ministère de la Femme, de l'Enfant et de la Famille (MFEF) and the Population Council, 1993, and (b) statistics gathered from MFEF.

Source: *Enquête sur les Priorités*. GOS Ministère de l'Economie, des Finances et du Plan/Direction de la Prévision et de la Statistique, 1992. (pp.14-15).

Private Sector Survey, Part I: Formal Sector Report, The Manual for Action in the Private Sector (MAPS) Study, (Senegal: 1990). Survey conducted by Cabinet Aziz Dieye/Coopers and Lybrand. Labat-Anderson Incorporated. (pp.10-11).

Private Sector Survey, Part II: The Informal Sector, The Manual for Action in the Private Sector (MAPS) Study, (Senegal: 1990). Survey conducted by Cabinet Aziz Dieye/Coopers and Lybrand. Labat-Anderson Incorporated. (p.9).

Technical Evaluation of the Kaolack Agricultural Enterprise Development Project, SENAGROSOL-USAID/Senegal, 1995. (p.2-3).

El Hadj Amadou Wone, *Etude sur le Commerce Sous-Regional des Produits Horticoles en Afrique de l'Ouest: Cas du Senegal*, Abt Associates, Bethesda, MD, 1996.

SO will relieve some of the constraints that prevent women from expanding their roles in the private sector, including a high incidence of illiteracy; the burden of multiple domestic chores; and limited access to land and credit.

Because the majority of the Senegalese population lives in rural areas, most income generating activities are related to agriculture or natural resource exploitation, and thus generally require access to farmland. Even when women have access to land, such as for seasonal agriculture, they are often confined to marginal areas and face precarious tenure rights. When land is scarce, as with the case of irrigated agriculture, women's access to any type of tenure right is even more limited. A survey conducted in 1991-92 in the Senegal River Valley, for instance, revealed that women represented only 6% of all tenants.²⁴ In addition, the proportion of households headed by women (currently 18%) is increasing.

If implemented, the Land Tenure Action Plan (*Plan d'Action Foncier*) initiated by the GOS could have significant gender impacts.²⁵ This Plan recommends two options: to convert the National Domain (about 95% of Senegal's total land area) into the private domains of decentralized institutions, which would then be responsible for allocating private ownership rights to their constituencies; or to register the National Domain as a private asset of the State, which would then allocate private ownership rights to individuals and organizations. Both options advocate private ownership of the land. Further, there are strong indications that the recognition of private ownership rights will likely lead to the development of a land market with more open and democratic access to land rights²⁶.

Because many Senegalese women lack bankable assets to serve as collateral, their access to formal credit is generally limited. This has been documented by an assessment conducted in local banks of loans exceeding CFAF 10 million as of November 30, 1991. In this assessment, women received only 1.1% of the total amount loaned (*Femmes Sénégalaises*, op. cit. 1993:67).

To address the foregoing identified constraints, this strategy will:

Ease women's workload. To the extent feasible, USAID/Senegal will help to equip targeted communities with labor-saving devices such as mills and fuel-saving stoves.

Reduce illiteracy. The new CSP will support literacy training for female entrepreneurs as well as IEC programs for illiterate audiences.

Help to expedite the adoption and implementation of the Land Tenure Action Plan and encourage decentralized institutions to open access to land for marginalized groups (women, youths, and traditionally landless groups), and

Madiodio Niasse, *Réforme Foncière et Equite: La Loi sur le Domaine National à l'Epreuve dans les Périmètres Irrigués de la Vallée du Fleuve Sénégal*. Paper presented at the conference on *Réformes Foncières et Décentralisation au Sahel* held in N'Djamena. July 1997. (p.9).

Plan d'Action Foncier, GOS: Ministère de l'Agriculture/Unité de Politique Agricole, Dakar, 1996.

M. Niasse, op. cit.

Promote and facilitate women's access to credit through the establishment of decentralized financial institutions, and conduct awareness campaigns on financial instruments and how to access them.

Strategic Objective 2. More effective, democratic and accountable local management of services and resources in targeted areas.

Women's representation in local government is an important influence on decisions relating to gender equity. Substantial improvements have been noted in the number of women elected to rural and municipal councils over recent years. Statistics from the 1990 local elections (Ministry of Interior) revealed that nearly 8% of rural and municipal councilors were women. Between 1984 and 1990, representation increased from 5% to 15.7% in municipal councils, and from less than 2% to 5.6% in rural councils. This positive trend has been confirmed in the 1996 municipal and rural elections.²⁷ Even so, women's political weight and capacity to influence decision-making processes in decentralized institutions varies among local government units.

This SO will strive to increase women's participation in local affairs by:

Including women's representation as a key criterion for selection of customers and partners; and

Promoting women's active participation in defining priorities for local communities by ensuring that within decentralized territories, all viable grassroots organizations will be equally eligible for USAID/Senegal's assistance, regardless of affiliations with local decentralized authorities.

Strategic Objective 3. Increased use of reproductive health (child survival, maternal health, family planning, and STI/AIDS) services in the context of decentralization in targeted areas.

In Senegal, women face greater health and social risks than men, due in large part to their traditional roles in society. Maternal mortality remains high, estimated at 800-1200 maternal deaths per 100,000 live births. This is the result of both limited access to health services and a high fertility rate. While it has declined over the years, the fertility rate remains high enough to represent a major obstacle to the social, political and economic empowerment of Senegalese women. Frequent childbirth increases the duration and the frequency of women's exposure to health risks, reducing the likelihood of active and effective participation in income generating activities. In addition, female genital mutilation continues among some of the minority ethnic groups.

The persistence of a social preference for large families is another constraint to gender equity in Senegal. Recent Demographic and Health Surveys, for example, have revealed that women desire, on average, between five and seven children. Children prove women's fertility, and that belief is strengthened by the rivalries in the widely adopted polygamy system: in Senegal, 47% of married women were in polygamous unions (1992-93 DHS). High rates of child mortality; the

²⁷Sheldon Gellar, *Le Climat Politique et la Volonte de Reforme Politique et Economique au Senegal: Rapport Final*. Version Francaise. USAID/Senegal, 1997. (p.84).

need for numerous family members to diversity sources of income; and a cultural emphasis placed on the reproductive roles of both men and women are among the factors explaining these preferences. Initiatives to address each of these factors will be undertaken in SO3.

Achieving sustainable and significant results in gender equitable development will require strong campaigns in the health sector, involving many segments of the society--not just women. In particular, USAID/Senegal must continue its efforts to educate and sensitize key opinion leaders. Without an active role of opinion leaders and civil society organizations, it is unlikely that fertility will continue to decline, thus trapping many women in vulnerable, traditional reproductive roles.

Under this strategy's third SO, USAID/Senegal will continue to:

Stimulate, diversify and strengthen the participation of traditional, religious and political leaders; and

Rely on PVOs/NGOs, grassroots organizations, civil societies, and private sector entities as advocates. The Mission will further promote IEC activities and advocacy focusing on the social and cultural constraints that women continue to encounter.

ANNEX D: USAID/SENEGAL ISSUES

USAID/Senegal plans to address a number of issues mentioned below during the development of Results Packages (RPs) and the initial stages of implementation.

1. Caveats concerning decentralization

After decades of centralization, the Decentralization Law is a much-welcomed step to broaden participation and harness local energy. However, decentralization must be well-implemented to be beneficial. First, there is a question about the will and dedication of the GOS to making decentralization work. Decentralization cannot merely be a transfer of responsibilities without a transfer of skills, resources, and ultimately, actual power. Nor can it be an opportunity for the existing national political power structure to suppress the development of grass-roots interest groups. Second, establishing additional units of government is expensive, and Senegal can ill-afford a proliferation of discrete administrative units that fail to perform better than the former centralized system. Third, fundamental changes are still needed at the central level to equitably and efficiently allocate resources among the localities and to provide quality control for local governance.

By being a part of the implementation of decentralization in Senegal, donors (including USAID) can help create a balance between centralized administrative efficiency and decentralized program effectiveness. Also, they can act as a countervailing force to those that resist broad-based development, by giving voice to local issues as intended in the decentralization law.

2. Caveats concerning the demand-driven approach

USAID has proposed a demand-driven approach due to its long-run benefits, but in the near-term there may well be some inconveniences. Until partners, customers, and the exact zones of intervention are selected, for example, the Mission will not be able to establish baselines and specific performance targets. This will affect the Mission's ability to report on results within the R4 format during the first year of implementation.

In addition, to minimize the lag between the approval and implementation of this CSP, the Mission will probably have an initial round of grants and/or contracts that build an element of design work into the first phase of implementation. While these implementing mechanisms will be performance-based, they will not have the benefit of predetermined baselines and performance targets.

Finally, USAID expects a slower than usual start-up of activities. The selection process of customers/partners/zones of intervention will be lengthy. Customers, too, may be slow to respond to USAID's offer of assistance/partnership, due to the stiffened requirement that they show serious intent to participate by sharing costs. Moreover, the much-anticipated decentralization process could actually lead to poorer results in the short run than were achieved previously under a centralized government structure.

However, given the enthusiasm exhibited by all who helped develop this CSP, and given its foundation in the vision, aspirations and priorities of the Senegalese themselves, the Mission fully

expects to enlist an unprecedented participation of partners and customers, yielding greater and more sustainable results by the end of the strategy period.

3. Reengineering: opportunities and limits

Customer and Partnership Focus. USAID/Senegal is in its third year of reengineering. The paradigm shift from passive "beneficiaries" to active partners is well underway. However, participation and partnership are not without financial, organizational and labor costs. This raises a difficult point as USAID down-sizes and funds for operating expenses decrease. In addition, the customer/partnership focus is not as smooth or efficient with counterparts who have not been empowered to make decisions because of their highly hierarchical chain of command. Empowering USAID staff alone is not sufficient. Similarly, USAID staff themselves, at times, are not as empowered as could be hoped. For example, USAID earmarks mean that USAID/Senegal is not always able to respond to some of the priorities articulated by Mission customers.

Results Orientation. With reengineering, the emphasis is no longer on *how many*, but on the *impact of assistance on the lives of the customers*. Reengineering has created opportunities for USAID staff to emphasize that performance on the part of everyone is the only guarantee for future funding. In other words, *No results, no money*. Yet challenges persist. Few significant results (that are both sustainable and within USAID's manageable interest) can be achieved and measured on an annual basis. Also, strong incentives remain for development assistance plans to be overly optimistic and open to earmarked funds that a country may not be motivated to use very well. USAID/Senegal has worked hard to avoid these pitfalls.

4. Security issues in the Casamance region

The Casamance (now the Kolda and Ziguinchor regions) would have been an ideal location for the three SOs under this strategy. However, as of the end of 1997, the security situation has precluded continuation of most of USAID's activities there. The Mission will therefore alter its geographic areas of intervention in accordance with conditions in this and other regions of Senegal. Attainment of CSP results may be delayed in or diverted from certain areas, but they will not be prevented by isolated disturbances.

5. The costs of regular monitoring and evaluation

In the development of the Results Frameworks, the Mission and its M&E consultants focused on defining performance indicators that are quantifiable and significant. Little thought was given to the cost of generating this information compared with the benefits of having it. The Mission might well find, as the Results Packages and the M&E Plan are developed, that the costs of monitoring certain targets far outweigh the potential benefits of having such data. Efforts will also be made to make sure that data collection and analysis are used to increase the efficiency of Mission investments.

6. Transitional issues

This eight-year strategy represents a threshold for USAID's emergence in new partnership with Senegal, based on greater sustainability of the results this strategy is designed to achieve and the new operating principles it builds on. Half-way through the design of the CSP, it was decided

that this should not be the final USAID exit strategy. The Mission based its decision on the assumption that Senegal would remain an excellent development partner, and that socio-economic indicators, though improving, would still be very weak in 2006. The CSP design therefore examined whether USAID should consider establishing a foundation to take the place of a formal USAID Mission at the end of this strategic planning period, with traditional assistance modalities replaced by a new kind of relationship. This option only appears feasible under a \$30 million OYB scenario (see *Part III, Resource Requirements*).

7. Issues outside of USAID/Senegal control

It is important to note at least a few issues that profoundly shape not only this strategy, but also its implementation. They may be topics for the CSP review or other fora. These issues include:

USAID-imposed restrictions on the use of OE funds;

The difficulty of meshing a customer-focused, demand-driven strategy with Congressional priorities;

The trade-off between a drive towards pre-specified results and the need for flexibility to respond to the changing needs, interests, and capabilities of partners and customers;

The need to report quantifiable people-level results on an annual basis, when most of USAID's impacts involve behavioral and institutional changes that rarely occur in the short term (what is the balance between giving a woman a fish, or teaching a woman to fish?) ; and

USAID's need to aggregate diverse worldwide results into a concise document that responds to earmarks and special interest groups.

ANNEX E: PRELIMINARY PLAN FOR MONITORING AND EVALUATION

A. SO1 PERFORMANCE INDICATORS

SO-level Indicators

1. *Incomes increased by \$80 million through supported activities*

- *Definition:* "Incomes" include the salaries distributed and the profits generated by the activities under review.
- *Unit of Measure:* The income distributed will be expressed in billion CFAF.
- *Data Sources:* Data will be available through USAID/Senegal's contractors, business and professional associations, the GOS, and other donors.
- *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well-focused survey will ensure the availability of the data.

2. *Number of newly established businesses/SMEs increased (1,250 SMEs and 3,200 microenterprises created)*

- *Definition:* The scope will include all the newly established businesses/SMEs within a target area.
- *Unit of Measure:* Number of units
- *Data Sources:* Data will be available through USAID/Senegal's contractors, business and professional associations, the GOS, and other donors.
- *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well-focused survey will ensure the availability of the data.

3. *Ratio of private investment to GDP increased from 13% to 17%*

- *Definition:* Private investment includes the acquisition of fixed assets and changes in inventories by private businesses and households.
- *Unit of Measure:* The ratio will be expressed as a percentage. The denominator comprises the Gross Domestic Product (GDP) while the numerator focuses on private investment.
- *Data Sources:* Data will be available through the GOS Ministry of Economy, Finance and Planning, and the IMF.
- *Methods of Data Collection/Calculation:* The review of data sources.

KIR 1 Indicators

4. *Proportion of surveyed economic agents that report improvement in business climate*

- *Definition:* The business climate is a set of critical factors that spur private business. The road map investment survey will help list the critical factors.
- *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all the economic agents sampled within a target area while the numerator focuses on those surveyed who report improvement in business climate.
- *Data Sources:* Data will be available through USAID/Senegal.
- *Methods of Data Collection/Calculation:* A well-focused survey will ensure the availability of the data.

KIR 2 Indicators

5. *Value of credit extended*

- *Definition:* The scope will include all the credit extended within a target area.

- *Unit of Measure:* The value will be expressed in billion CFAF.
- *Data Sources:* Data will be available through USAID/Senegal's contractors, financial intermediaries, the GOS, and other donors.
- *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well-focused survey will ensure the availability of the data.

6. *Number of loans extended*

- *Definition:* The scope will include all the loans extended within a target area.
- *Unit of Measure:* Number.
- *Data Sources:* Data will be available through USAID/Senegal's contractors, financial intermediaries, the GOS, and other donors.
- *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well-focused survey will ensure the availability of the data.

KIR 3 Indicators

7. *Proportion of SMEs with business plans*

- *Definition:* The business plan includes the following three components: the provisional partial budget, the investment plan, and the provisional financing plan.
- *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all SMEs within a target area while the numerator focuses on those SMEs that have a business plan.
- *Data Sources:* Data will be available through USAID/Senegal's contractors, business and professional associations, the GOS, and other donors.
- *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well-focused survey will ensure the availability of the data.

8. *Proportion of SMEs working in NRM-related activities that have adopted improved technologies*

- *Definition:* An NRM-related activity is any NR-based activity that generates income through market-based participation. "Technologies" include all improved technical and managerial practices.
- *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all NRM-based businesses/SMEs within a target area while the numerator focuses on those businesses/SMEs that have adopted improved technologies.
- *Data Sources:* Data will be available through USAID/Senegal's contractors, business and professional associations, the GOS, and other donors.
- *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well-focused survey will ensure the availability of the data.

9. *Proportion of SMEs working in other areas that have adopted improved technologies*

- *Definition:* The areas under review include any (except NRM) that USAID/Senegal may select.
- *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all SMEs (except NRM-based ones) within a target area while the numerator focuses on those SMEs that have adopted improved technologies.
- *Data Sources:* Data will be available through USAID/Senegal's contractors, business and professional associations, the GOS, and other donors.
- *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well-focused survey will ensure the availability of the data.

B. SO2 PERFORMANCE INDICATORS

SO-level Indicators

1. ***Proportion of citizens in 50 CRs and 10 Communes who report satisfaction with a threshold level of services provided by CLs.***
 - *Definition:* Core services provided include health, natural resource management, education, water supply, etc.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all residents in a CL while the numerator focuses on those citizens who are satisfied with the level of services.
 - *Data Sources:* Customer Survey conducted every three years.
 - *Methods of Data Collection/Calculation:* Review of data collected, cited above.
2. ***Proportion of "Conseils Rurales" (CRs) implementing Land Use Management Plans (LUMP, target: 90%)***
 - *Definition:* LUMPs are the product of local participation and consensus building. They cover and define needed 10-15 year period investments, changes in land use management practices, needed training and technical assistance, and needed accompanying support.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all the CRs that have a LUMP while the numerator focuses on those CRs implementing their LUMP.
 - *Data Sources:* Data are available through the DCL, the CR, and the "Direction de l'Aménagement du Territoire (DAT)".
 - *Methods of Data Collection/Calculation:* The review of records of the data sources cited above coupled with a well focused survey will ensure the availability of the data.
3. ***Proportion of CLs that implement 90% of their planned budget (target: 60% of Communes and 65% of CRs)***
 - *Definition:* For this indicator, the budget implementation rate might be distorted because estimations overlooked the actual financial capacities. These can be assessed through calculating the average ordinary revenues over a three year period; calculating the implementation rate for the current fiscal year; and reviewing late changes. Ordinary types of revenues include rural head taxes, income taxes, licensing, land ownership, and construction fees; parts of judiciary fees; animal slaughtering, fuel sale, and market taxes; receipts from rental lands; solidarity funds; and other miscellaneous funds.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all CLs implementing their budget, no matter the rate, while the numerator focuses on those CLs whose implementation rate equals at least 90%.
 - *Data Sources:* The data are available through the DCL and the DFCL.
 - *Methods of Data Collection/Calculation:* The review of the records of the data sources cited above coupled with a well focused survey will ensure the availability of the data. Data calculation is performed in two steps. First, information on all the CLs implementing their budget is compiled. Once the implementation rate is determined, the number of CLs whose implementation rate equals at least 90% is used in the numerator.

KIR 1 Indicators

4. ***Proportion of CLs that develop and implement their Environmental Action Plans (EARs)***
 - *Definition:* An EAP is a reference framework that ensures that environmental concerns are addressed in all economic and social policies.

- *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all CLs according to the type (10 regions, 60 "communes de droit commun," 43 "communes d'arrondissement," and 320 CRs). The numerator comprises those CLs that develop and implement an EAP.
 - *Data Sources:* The data are available through the DCL, the CL, and the "Direction de l'Environnement)" of the Ministry of Environment.
 - *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well focused survey will ensure the availability of the data.
- 5. *Proportion of CLs that design and implement a development plan***
- *Definition:* "Development plan" includes the *Plan Régional de Développement (PRDI)*, *Plan d'Investissements Communaux (PIC)*, and the *Plan Local de Développement (PLD)* at the regional, urban, or rural levels.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all CLs, according to the type. The numerator focuses on those CLs that design and implement a development plan ("Plan Régional de Développement Intégré (PRDI)" at the regional level, "Plan d'Investissements Communaux (PIC)" at the level of the "communes", and "Plan Local de Développement (PLD)" at the CR level.
 - *Data Sources:* The data are available through the DCL, the CL, the "Agence Régionale de Développement (ARD)", and the "Direction de la Planification" of the MEFP.
 - *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well focused survey will ensure the availability of the data.
- 6. *Proportion of CLs capable of self-reporting management-related financial data***
- *Definition:* "Self-reporting" means that CLs will handle requests for financial data themselves, without referrals to the tax inspector or collector.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all CLs, according to the type. The numerator focuses on CLs that have the capacity to design and maintain their own financial data base.
 - *Data Sources:* The data are available through the CL.
 - *Methods of Data Collection/Calculation:* A well-focused survey will ensure the availability of the data.
- 7. *Proportion of activities under CL supervision contracted to local organizations***
- *Definition:* Local organizations include NGOs/PVOs, local businesses, and other local associations.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises the number of activities under CL supervision, according to the type. The numerator focuses on those activities under CL supervision that are contracted to local organizations.
 - *Data Sources:* The data are available through the CL and the Treasury.
 - *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well focused survey will ensure the availability of the data.

KIR 2 Indicators

- 8. *Proportion of CLs that collect at least 80% of their planned operating revenues on their own***
- *Definition:* The scope of CL includes only the "commune" and the CR since the "region" does not have yet any revenue of its own. CL revenues include local taxes, real estate taxes, and service fees.
 - *Unit of Measure:* The proportion will be expressed in percentage. The denominator comprises all CLs, according to type (60 "communes de droit commun", 43 "communes d'arrondissement", and 320 CRs). The numerator focuses on those collecting at least 80% of their revenues on their own.

- *Data Sources:* The data are available through the DCL, the CL and the DFCL.
 - *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well focused survey will ensure the availability of the data.
- 9. Increase rate of government transfers (in real terms) to CLs**
- *Definition:* Government transfers are made up of allowance, assistance, and rebate funds. The nominal value of these transfers will be divided by the inflation rate to get the amount in real terms.
 - *Unit of Measure:* The rate will be expressed in percentage. The denominator consists of transfers made the previous year while the numerator counts transfers made during the year under review.
 - *Data Sources:* The data are available through the DFCL and the "Direction du Budget" of MEFP.
 - *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well focused survey will ensure the availability of the data.
- 10. Increase rate of the value (in real terms) of revenues from external sources**
- *Definition:* The nominal value of these revenues will be divided by the inflation rate to get the amount in real terms. The external sources should be understood as all the financial backers except for the government and the CL itself.
 - *Unit of Measure:* The rate will be expressed in percentage. The denominator consist of the revenues from external sources last year while the numerator is these revenues during the year under review.
 - *Data Sources:* The data are available through the DFCL, the CL, the Treasury, and the "Direction de la Coopération Economique et Financière (DCEF)" of MEFP.
 - *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well focused survey will ensure the availability of the data.
- 11. Proportion of CLs that receive 100% of expected central government transfers by March 31**
- *Definition:* Assuming that the various concepts included in the indicator statement will be understood uniformly or have been already explained, no further explanation is necessary.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all CLx (preferably by type of CL) while the numerator focuses on those that receive the entire amount of transfer from the government by the deadline of March 31.
 - *Data Sources:* Data are available through the DFCL, the DGTCP, and the CL.
 - *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well focuses survey will ensure the availability of the data.

KIR 3 Indicator

- 12. Number of appeals lodged against CLs and decentralized authorities**
- *Definition:* The appeals might be administrative or judicial depending on the stage at which the issue is resolved.
 - *Unit of Measure:*
 - *Data Sources:* Data are available through the DCL, the CL, the decentralized authorities ("gouverneur", "préfet", and "sous-préfet"), and the jurisdictions.
 - *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well focused survey will ensure the availability of the data.

KIR 4 Indicators

- 13. Proportion of decentralization-related implementation decrees issued**
- *Definition:* No further explanation is necessary.

- *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all decentralization-related implementation decrees cited by the law while the numerator focuses on all decrees issued.
- *Data Sources:* Data are available through the DCL.
- *Methods of Data Collection/Calculation:* The review of records of the DCL will ensure the availability of the data.

14. ***Proportion of conflicts resolved at the CR level***

- *Definition:* The underlying assumption is that conflicts at the regional or communal level, or those not resolved by the "sous-préfet," are likely submitted to the jurisdictions. Thus, the focus is on the CR within an "arrondissement".
- *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all conflicts recorded at the CR level while the numerator focuses on those resolved by the rural council either alone or under the auspices of the "sous-préfet".
- *Data Sources:* Data are available through the CR, and the "sous-préfecture".
- *Methods of Data Collection/Calculation:* The review of data sources cited above coupled with a well focused survey will ensure the availability of the data.

C. **SO3 PERFORMANCE INDICATORS**

SO-level Indicators

1. ***Contraceptive prevalence rate increased from 7.1% to 15%***

- *Definition:* "Women of reproductive age" include women between the ages of 15 and 49. "Modern methods" include condoms, spermicides, the Pill, injectables, Norplant, DIU/CU-T380, and sterilization.
- *Unit of Measure:* The rate will be expressed as a percentage. The denominator is comprised of all currently-married women of reproductive age, while the numerator counts only those currently-married women of reproductive age who are using (or whose partner is using) a modern method of contraception at a given point in time.
- *Data Source:* Data are available through the "Direction de la Prévision et de la Statistique (DPS)" of the MEFP.
- *Methods of Data Collection/Calculation:* The Demographic and Health Surveys (DHS) conducted every four years will ensure the availability of data.

2. ***Condom use with non-regular sex partners increased from 29% to 50%***

- *Definition:* "People" includes men or women between 15 and 60 years of age.
- *Unit of Measure:* The value will be expressed as a percentage. The denominator comprises all surveyed people whose last sexual act was with a non-regular partner, while the numerator includes only those who report the use of a condom that act.
- *Data Source:* Data are available through the DPS of the MEFP and Family Health International (FHI)/Senegal.
- *Methods of Data Collection/Calculation:* The DHS conducted every four years and the Behavior Surveillance Survey (BSS) conducted every two years will ensure the availability of data.

3. ***Proportion of pregnancies receiving one or more prenatal visits increased from 82% to 98%***

- *Definition:* No further explanation is necessary

- *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all pregnancies estimated within the target area for one year while the numerator focuses on those pregnant women attending one or more prenatal consultations.
 - *Data Source:* Data are available through the monitoring system of the MOHSA.
 - *Methods of Data Collection/Calculation:* The review of the Service Delivery Points (SDP) records will ensure the availability of the data.
- 4. *Proportion of children fully vaccinated by age one increased from 39% to 65%***
- *Definition:* A child fully vaccinated has received the full series of World Health Organization-recommended immunizations by age one.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all children 12 to 23 months while the numerator focuses on those children who are fully vaccinated based on their vaccination card.
 - *Data Source:* Data are available through the DPS of the MEFP and secondary data sources such as UNICEF.
 - *Methods of Data Collection/Calculation:* The DHS conducted every four years and the Multiple Indicator Cluster Surveys (MICS) will ensure the availability of data.
- 5. *Proportion of child diarrhea cases treated with oral rehydration therapy increased from 33% to 60%***
- *Definition:* Oral rehydration therapy includes treatment with Oral Rehydration Sachets (ORS) or recommended home fluids.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all cases of child diarrhea within the last two weeks (as reported by mothers) while the numerator focuses on those cases treated with ORS and/or an appropriate home-based solution.
 - *Data Source:* Data are available through the DPS of the MEFP and secondary data sources such as UNICEF.
 - *Methods of Data Collection/Calculation:* The DHS, conducted every four years, and the Multiple Indicator Cluster Surveys (MICS) will ensure the availability of data.
- 6. *Proportion of infants from 0-4 months exclusively breast-fed increased from 14% to 30%***
- *Definition:* Exclusive breastfeeding precludes supplementation with water or any other type of food/liquid.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all children under four months of age while the numerator focuses on those children who are exclusively breastfed.
 - *Data Source:* Data are available through the DPS of the MEFP.
 - *Methods of Data Collection/Calculation:* The DHS conducted every four years will ensure the availability of data.

KIR 1 Indicators

- 7. *Proportion of people living within 5 kilometers of a functioning Service Delivery Point (SDP)***
- *Definition:* A functioning SDP has enough well-trained staff, the proper equipment to deliver services, and an adequate supply of appropriate drugs.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all inhabitants in the target area within 5 km of an SDP for one year while the numerator focuses on those inhabitants living within 5 kilometers of a functioning SDP.

- *Data Source:* Data are available through the DPS of the MEFP and the monitoring system of the MOHSA.
 - *Methods of Data Collection/Calculation:* Demographic data projections and SDP records will ensure the availability of data.
- 8. *Proportion of people living more than 5 kilometers from an SDP who are covered by outreach***
- *Definition:* No further explanation is necessary .
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all people living outside of the 5km radius of an SDP for one year while the numerator focuses on those inhabitants covered by an outreach strategy.
 - *Data Source:* Data are available through the DPS of the MEFP and the monitoring system of the MOHSA.
 - *Methods of Data Collection/Calculation:* Demographic data projections and SDP records will ensure the availability of data.
- 9. *Proportion of women with 3 prenatal consultations during their most recent pregnancy***
- *Definition:* No further explanation is necessary .
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all pregnancies estimated within the target area for one year while the numerator focuses on those pregnant women who have had 3 prenatal consultations during their most recent pregnancy.
 - *Data Source:* Data are available through the monitoring system of the MOHSA.
 - *Methods of Data Collection/Calculation:* SDP records will ensure the availability of data.
- 10. *Proportion of correct case management according to Ministry Of Health and Social Action (MOHSA) protocols***
- *Definition:* The scope of this indicator includes STIs, acute respiratory infection, diarrhea, malnutrition, malaria, and prenatal consultations. A correct case management means compliance with current MOHSA protocols.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all cases observed during the survey while the numerator focuses on those cases correctly managed.
 - *Data Source:* Data are available through the "Programme National de Planification Familiale (PNPF) of the MOHSA and The Population Council.
 - *Methods of Data Collection/Calculation:* The "Analyse situationnelle" surveys of health facilities every two years will ensure the availability of data.
- 11. *Couple Years of Protection (Public sector)***
- *Definition:* This indicator is a proxy for contraceptive prevalence. It focuses on the total amount of contraceptives sold or distributed free of charge during a year.
 - *Unit of Measure:* Currently-married women of reproductive age.
 - *Data Source:* Data are available through the "Programme National de Planification Familiale (PNPF) of the MOHSA.
 - *Methods of Data Collection/Calculation:* Review of contraceptive logistics system reports. Multiplication coefficients for calculating CYP vary depending on the type of contraceptive: the Pill (15 cycles per CYP), DIU/CU-T380 and Norplant (3.5 CYP per unit), injectable (4 per CYP), sterilization (8 CYP per unit), condom (120 per CYP), and spermicide (120 per CYP).
- 12. *Proportion of Family Planning (FP) clients who have used any modern FP method on a continuous basis throughout the past year***

- *Definition:* Use on a continuous basis indicates the probability that an acceptor will still be using some contraceptive method for at least one year.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all FP acceptors drawn from a cohort of new FP acceptors and monitored for 12 months while the numerator focuses on those of the sample who have used any modern FP method on a continuous basis throughout the year.
 - *Data Source:* Data are available through the "Programme National de Planification Familiale (PNPF) of the MOHSA.
 - *Methods of Data Collection/Calculation:* A retrospective study based on SDP records will ensure the availability of data.
- 13. *Proportion of SDPs with mechanisms for coverage of health care costs of indigents***
- *Definition:* Health care for indigents is defined as...
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all SDPs within a target area while the numerator focuses on those SDPs that have a mechanism for covering health care costs for indigents.
 - *Data Source:* Data are available through the monitoring system of the MOHSA.
 - *Methods of Data Collection/Calculation:* Review of the SDP records will ensure the availability of data.

KIR 2 Indicators

- 14. *Average desired family size***
- *Definition:* The average desired family size is the average number of children that women of reproductive age would choose to have if they could have exactly the number desired.
 - *Unit of Measure:* Number of children.
 - *Data Source:* Data are available through the DPS of MFEP.
 - *Methods of Data Collection/Calculation:* The DHS conducted every four years will ensure the availability of data.
- 15. *Proportion of women of reproductive age who state intention to use reproductive health services***
- *Definition:* No further explanation is necessary.
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all women of reproductive age sampled within a target area while the numerator focuses on those reproductive age women who state their intention to use health services.
 - *Data Source:* Data are available through the DPS of MFEP and Management Sciences for Health (MSH)/Senegal.
 - *Methods of Data Collection/Calculation:* The DHS and Knowledge, Attitude, and Practice (KAP) surveys conducted every two years will ensure the availability of data.
- 16. *Proportion of people who know of at least two methods for prevention of Sexually Transmitted Infections (STIs)/AIDS***
- *Definition:* Methods for prevention are those defined by the "Programme National MST/SIDA".
 - *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all people aged 15-60 sampled within a target area while the numerator counts only those who can cite at least two acceptable means of protection against HIV and STIs.
 - *Data Source:* Data are available through the DPS of MFEP and FHI/Senegal.
 - *Methods of Data Collection/Calculation:* The DHS and the BSS conducted every two years will ensure the availability of data.

KIR 3 Indicators

17. Amount of real per capita annual SDP budget furnished by Senegalese resources

- *Definition:* The annual SDP budget derived from Senegalese resources will be divided by the inflation rate to get the amount in real terms. This amount divided by the number of inhabitants gives the real per capita budget. Within each target area, Senegalese resources include Bamako Initiative funds and local government transfers to SDPs.
- *Unit of Measure:* This amount will be expressed in thousands of CFAF.
- *Data Source:* Demographic and inflation data are available through the DPS of MEFP. Local governments, the monitoring system of the MOHSA, and the SDP health committees provide nominal budget related figures.
- *Methods of Data Collection/Calculation:* The review of data sources cited above will ensure the availability of data.

18. Proportion of SDPs whose real per capita budget increases annually

- *Definition:* A real per capita budget is defined above. Budgets will be monitored each year for trends.
- *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all SDPs that have a budget while the numerator counts only those whose real per capita budget has shown an increase from the previous year.
- *Data Source:* Demographic and inflation data are available through the DPS of MEFP. Local governments, the monitoring system of the MOHSA and the SDP health committees provide nominal budget related figures.
- *Methods of Data Collection/Calculation:* The review of data sources cited above will ensure the availability of data.

19. Proportion of SDPs that receive 100% of expected local government transfers by May 31

- *Unit of Measure:* The proportion will be expressed as a percentage. The denominator comprises all SDPs within a target area while the numerator counts those that receive the entire amount of transfer from the local government by the deadline of May 31.
- *Data Source:* Data are available through the local government and the SDP health committee.
- *Methods of Data Collection/Calculation:* The review of data sources cited above will ensure the availability of data.

ANNEX F: AID/W REVIEW OF CSP

	APPR:	CP	()
	DRAFT:	GT	()
	CLEAR:	GB	()
UNCLASSIFIED SECSTATE 46969	CLEAR:	HL	()
	CLEAR:		()
AID/AFR/WA:GTHOMPSON:GT\O\SENEGAL\CSP\SEN_CSP5.CBL	CLEAR:		()
03/16/98 712-4028			
AID/AA/AFR:CPEASLEY (ACTING)	CLEAR:		()
AFR/AA:GBOMBARDIER	AFR/WA:HLIGHTFOOT		
AFR/AMS:BRYNER (SUBST)	AFR/DP:JGOVAN (DRAFT)		
M:DHARRISON (DRAFT)	AFR/SD:JWOLGIN (SUBST)		
PPC:RBYESS (DRAFT)	G:LDOBBINS (SUBST) +		

PRIORITY SENEGAL

ROUTINE BAMAKO, ACCRA, ABIDJAN

AIDAC ABIDJAN FOR REDSO/WCA

E.O. 12958: N/A

TAGS:

SUBJECT: USAID/SENEGAL COUNTRY STRATEGIC PLAN REVIEWS

1. SUMMARY:

A. AT THE WRAP-UP SESSION OF THE SENEGAL PROGRAM WEEK ON FEBRUARY 20, 1998, A-AA/AFR CAROL PEASLEY APPROVED THE FY 1998-2006 COUNTRY STRATEGIC PLAN FOR USAID/SENEGAL AS AMENDED CONTINGENT UPON PROVISIONS AND MANDATES DESCRIBED BELOW. THIS CSP REPORTING CABLE, ALONG WITH THE APPROVED CSP AND ADDENDUMS CONSTITUTE THE MANAGEMENT CONTRACT WITH USAID/SENEGAL TO ATTAIN THE RESULTS THE MISSION HAS IDENTIFIED FOR THE AMOUNT OF FUNDS IT HAS REQUESTED, SUBJECT TO THE AVAILABILITY OF FUNDS.

B. THE FEBRUARY 17-20 SENEGAL PROGRAM WEEK MEETINGS WERE ATTENDED BY REPRESENTATIVES OF GLOBAL, M, PPC, GC/AFR, AFR/SD, AFR/DP, AFR/AMS, AND AFR/WA. THE MISSION WAS REPRESENTED BY MISSION DIRECTOR, ANNE WILLIAMS AND SEVERAL STAFF. ALL INVOLVED ARE COMMENDED ON THE PROFESSIONAL AND COLLABORATIVE TEAMWORK SHOWN IN THE WAY SOME VERY CRUCIAL AND NOVEL ISSUES WERE RESOLVED. THE USAID/W/SENEGAL TEAM CAME A LONG WAY DURING PROGRAM WEEK.

C. ON THE BUDGET PRESENTED, THE BUREAU MADE A GUARDED COMMITMENT OF \$23.4 MILLION PER YEAR, SUBJECT TO AVAILABILITY OF FUNDS, WITH THE PROVISIO THAT HPN AND TO AN EXTENT ENV FUNDING WAS MORE LIKELY TO BE AVAILABLE THAN E/G OR ESPECIALLY D/G FUNDS. THE BUREAU APPROVED THE MISSION'S PROPOSED STRATEGIC OBJECTIVES AND TARGETS WITH SOME MODIFICATION. THE APPROVED SOS ARE AS FOLLOWS:

-- S.O. 1 SUSTAINABLE INCREASE OF PRIVATE SECTOR INCOME GENERATING ACTIVITIES IN SELECTED SECTORS.

-- S.O. 2: MORE EFFECTIVE, DEMOCRATIC, AND ACCOUNTABLE LOCAL MANAGEMENT OF SERVICES AND RESOURCES IN TARGETED AREAS.

-- S.O. 3: INCREASED AND SUSTAINABLE USE OF REPRODUCTIVE HEALTH (CHILD SURVIVAL, MATERNAL HEALTH, FAMILY PLANNING, AND STI/AIDS) SERVICES IN THE CONTEXT OF DECENTRALIZATION IN TARGETED AREAS.

END SUMMARY.

II. BACKGROUND:

A. USAID SENEGAL PROGRAM WEEK WAS HELD TUESDAY, FEBRUARY 17, THROUGH FRIDAY, FEBRUARY 20, 1998. ISSUES MEETINGS WERE HELD THE PRECEDING WEDNESDAY, FEBRUARY 11 AND FRIDAY, FEBRUARY 13, TO DETERMINE WHICH ISSUES SHOULD BE CARRIED FORWARD TO PROGRAM WEEK AND TO DEAL UP FRONT WITH THE OVERARCHING ISSUES.

B. THE MAJOR ISSUE RAISED DURING THE COURSE OF WASHINGTON REVIEW WAS THAT THE STRATEGY SEEMED TO EQUATE THE DEMAND-DRIVEN APPROACH WITH AN INABILITY TO PROVIDE A FIRM SENSE OF THE MAGNITUDE OF RESULTS TO BE ACHIEVED AND THE COST OF EACH STRATEGIC OBJECTIVE. ULTIMATELY, THE MISSION TEAM WORKED UP ADDENDA PROVIDING BASELINES, TARGETS AND ESTIMATED BUDGET COSTS. THIS ALLOWED THE PROGRAM WEEK MEETINGS TO PROCEED AND TO RESOLVE THIS AND OTHER ISSUES THROUGH DISCUSSIONS, SIDE MEETINGS, ADJUSTMENTS, AND FURTHER ADDENDA. ALL SUBSTANTIVE ISSUES WITHIN THE AGENCIES CONTROL WERE THUS RESOLVED, BUT THERE ARE SEVERAL MANDATES, CONDITIONS AND CONCERNS WHICH ARE NOTED BELOW.

III. OVERARCHING ISSUES:

A. DECISIONS:

1. THE PERFORMANCE TARGETS AND BASELINE INFORMATION ARE PROVIDED AT THE STRATEGIC OBJECTIVE LEVEL IN ADDENDUM NO. 1 TO THE CSP. ALL AGREED THAT THIS INFORMATION IS ADEQUATE FOR JUDGING THE LEVEL OF IMPACT FOR THE PURPOSES OF THIS MANAGEMENT CONTRACT.

- A). FOR PRIVATE SECTOR SO 1, A NEW INDICATOR WILL REPLACE INDICATOR NO.3 (ON NUMBERS OF BUSINESS FAILURES). THE NEW INDICATOR IS: INCREASE IN THE RATIO OF PRIVATE INVESTMENT TO GDP. THE BASELINE FOR THIS INDICATOR IS 11.7 PERCENT. THE TARGET FOR FY2006 IS 17 PERCENT.

- B) FOR THE DECENTRALIZATION SO 2, THE FIRST AND FOURTH INDICATORS (ON CITIZENS BENEFITTING FROM GOVERNMENT SERVICE AND VOTER TURNOUT) ARE REMOVED. THEY ARE REPLACED WITH A NEW INDICATOR AT THE SO LEVEL: PROPORTION (PERCENT) OF CITIZENS WHO REPORT SATISFACTION WITH A THRESHOLD LEVEL OF SERVICES PROVIDED BY LOCAL COMMUNITIES IN AT LEAST 50 RURAL COMMUNITIES (CRS) AND 10 COMMUNES. THIS INDICATOR WILL INVOLVE THE USE OF PUBLIC OPINION SURVEYS. BASELINES AND TARGETS FOR THIS INDICATOR WILL BE PROVIDED NLT THE END OF FEBRUARY, 1999.

2. THE ADDITIONAL TARGETS AND BASELINES NEEDED TO JUDGE PROGRESS AT THE KIR LEVEL AND WHICH MAKE UP THE CORE OF THE PERFORMANCE MONITORING AND EVALUATION PLAN WILL BE PROVIDED NLT THE NEXT R4, THAT IS BY THE END OF FEBRUARY 1999.

3. ALL ATTENDEES AGREED THAT THE BUDGET HANDOUT, ADDENDUM NO. 2, WAS REQUIRED IN RESPONSE TO CONCERNS IN WASHINGTON THAT THE CSP DID NOT PROVIDE ENOUGH INFORMATION TO ALLOW FOR PROPER BUDGETING OF DIRECTED FUNDS. THE ADDENDUM WAS CONSIDERED ADEQUATE TO JUDGE THE REASONABLENESS OF THE REQUESTS IN RELATION TO THE SO TARGETS.

4. MOVING FROM THE OLD STRATEGY TO THE NEW WILL INEVITABLY BRING PROBLEMS. WHICH PROJECTS SHOULD CONTINUE AS EXAMPLES, WHICH CAN BE TAKEN OVER BY OTHER DONORS, WHICH SHOULD BE CLOSED DOWN ARE SENSITIVE QUESTIONS. TO DEAL WITH THE CONCERN ABOUT THIS ISSUE, THE MISSION WILL PROVIDE THE TRANSITION PLAN, UNDER DEVELOPMENT SINCE NOVEMBER, TO USAID WASHINGTON NLT MAY 15, 1998. THIS SUBMISSION WILL NOT BE FOR REVIEW, BUT FOR CONSTRUCTIVE COMMENTS.

5. THE QUESTION OF EQUITY AND WHETHER WE ARE HELPING THE POOREST OF THE POOR IS OFTEN RAISED IN STRATEGY REVIEWS.

THE MISSION PRODUCED ADDENDUM NO. 6 TO THE CSP REVIEWING HOW IT IS ADDRESSING THE ISSUE OF WHETHER NEED FOR ASSISTANCE IS NOT IGNORED IN THE DEMAND DRIVEN APPROACH. THE MISSION WILL ALSO USE AN ASSISTANCE CAMPAIGN TO HELP NEEDY COMMUNITIES WITH THEIR PROPOSALS AS A WAY TO GET AT THIS PROBLEM.

6. THOUGH DISCUSSED UNDER SO 3 BELOW, ANOTHER RELATED OVERARCHING ISSUE CONCERNED THE CAPACITY OF SUCH A STRATEGY TO AFFECT REQUIRED CHANGE AT THE NATIONAL LEVEL WHEN THE MISSION WAS GIVING THE MAJOR EMPHASIS TO GRASSROOTS DEVELOPMENT. THE STRATEGY WAS LESS EXPLICIT CONCERNING THE LINKAGES BETWEEN THE LOCAL DEMAND DRIVEN APPROACH AND THE MISSION'S NATIONAL POLICY AND TECHNICAL AGENDA. THE MISSION AGREED THAT WHAT THEY WERE PROPOSING ON THIS ISSUE COULD BE FURTHER CLARIFIED IN THE CSP AND PREPARED ADDENDUM NO. 5 TO SHOW SEVERAL OF THE WAYS THEY WERE ADDRESSING THESE LINKAGES FOR SO 3. OTHER DECISIONS UNDER SO 1 AND SO 2 ALSO HELPED TO RESOLVE THIS ISSUE.

B. DISCUSSION:

ON THE FIRST AND DECISIVE OVERARCHING ISSUE, WHETHER A DEMAND-DRIVEN APPROACH WAS INCOMPATIBLE WITH PROVIDING TARGETS AND BASELINES IN A TIMELY FASHION AND WITH THE DEVELOPMENT OF A SYSTEMIC STRATEGY FOR DEVELOPMENT, THERE WAS LONG DISCUSSION ON THE TARGETS GIVEN, WHETHER THEY WERE SOUNDLY DEVELOPED, AND WHETHER THE DEMAND DRIVEN APPROACH WOULD REALLY ALLOW FOR CALCULATION OF SUCH TARGETS.

THE MISSION RESOLVED THE ISSUE BY PROVIDING ADDENDA WITH THE TARGETS AND BUDGET BREAKDOWNS AND DEFENDED THOSE TARGETS AND BUDGETS. DISCUSSIONS WALKED EVERYONE THROUGH THE RESULTS FRAMEWORK AND SHOWED HOW EVERYTHING ADDED UP TO A SYSTEMIC PLAN UNDER EACH SO.

SO 1: USAID STAFF PRESENTED TARGETS AND INDICATORS AND WALKED ATTENDEES THROUGH THE DEVELOPMENT OF THESE INDICATORS AND SHOWED THE BREAKDOWN OF THE BUDGET IN RELATION TO THE DIFFERENT KIRS. AFTER DISCUSSION, ATTENDEES AGREED THAT ALL THE INDICATORS WERE ADEQUATE EXCEPT FOR A NATIONAL LEVEL INDICATOR OF ENTERPRISE SURVIVAL RATES WHICH WAS FELT NOT TO BE THE BEST INDICATOR FOR THE WORK PLANNED IN POLICY REFORM. AFR/SD AND THE MISSION LATER FRAMED A BETTER INDICATOR TO MEASURE THE KINDS OF POLICY WORK USAID/SENEGAL WOULD LIKELY DO.

THE INDICATOR PROPOSED WAS "INCREASED PRIVATE INVESTMENT PER GDP." ALL THE ECONOMISTS AGREED THAT THIS WAS A GOOD INDICATOR EVEN IF IT WAS NOT WITHIN THE MISSION'S

MANAGEABLE INTEREST TO HAVE MORE THAN A MINOR DIRECT IMPACT ON THE PERCENT OF PRIVATE INVESTMENT. DISCUSSION ENSUED ON WHAT THE TARGET SHOULD BE, BUT ALL AGREED THAT SHOULD WAIT ON THE COMPLETION OF THE ON-GOING NEGOTIATIONS BETWEEN THE GOS AND THE BRETON-WOODS INSTITUTIONS. USAID WOULD BE WORKING CLOSELY WITH THEM ON POLICY REFORM. THOSE NEGOTIATIONS ARE NOW FAR ENOUGH ALONG FOR THE MISSION TO COMMIT TO THE TARGET GIVEN ABOVE.

ALL AGREED THAT THE BUDGET LEVEL REFLECTED A REASONABLE LEVEL OF INVESTMENT FOR THE RESULTS TARGETED.

SO 2: MISSION PRESENTED THE TARGETS AND INDICATORS AND EXPLAINED HOW THE MISSION ARRIVED AT THESE INDICATORS. IT ALSO BROKE-OUT THE BUDGET BY KIR.

THE D/G INDICATORS ARE IN GENERAL MORE DIFFICULT TO FORMULATE AS QUANTIFIABLE MEASURES THAN IN OTHER SECTORS. MUCH DISCUSSION ENSUED ON THE VALIDITY AND REASONABLENESS OF THE INDICATORS. THOUGH THE OTHER INDICATORS WERE ADEQUATELY DEFENDED, THE FIRST CONCERNING PERCENT OF CITIZENS BENEFITING FROM LOCAL GOVERNMENT PROGRAMS DID NOT CLEARLY SAY WHAT THE BASELINE WAS AND WHAT WE WERE GOING TO MEASURE. IN THE SIDE MEETING INCLUDING REPRESENTATIVES FROM G/DG, SD/DG, PPC/DG, PPC/CDIE, DP, WA AND THE MISSION, DISCUSSIONS LED TO THE CONCLUSION THAT THE FIRST AND FOURTH INDICATORS SHOULD BE DISCARDED AND THAT A NEW INDICATOR WOULD REPLACE THEM.

THE NEW INDICATOR WILL BE BASED ON A PERIODIC CUSTOMER SURVEY IN THE AREAS USAID WILL BE WORKING, AND WOULD MEASURE SATISFACTION WITH/CONFIDENCE IN LOCAL GOVERNMENT SERVICE PROVISION.

SO 3: MISSION PRESENTED TARGETS AND INDICATORS AND WALKED US THROUGH THE DEVELOPMENT OF THESE INDICATORS AND SHOWED THE BREAKDOWN OF THE BUDGET IN RELATION TO THE DIFFERENT KIRS. AFTER A BRIEF DISCUSSION ALL ATTENDEES AGREED WITH THE TARGETS.

THE ISSUE OF TRANSITION FROM THE OLD PROGRAM TO THE NEW ENTAILED A LONG DISCUSSION ON WHETHER WE WERE GOING TO LOSE SOMETHING IN THE TRANSITION. THE MISSION REPLIED AND SHOWED EVIDENCE THAT IT WAS IN PROCESS OF DOING A TRANSITION PLAN, BUT YES, WE MIGHT LOSE SOMETHING DUE TO LACK OF SUFFICIENT RESOURCES THIS YEAR. WHETHER OR NOT SPECIFIC ACTIVITIES ARE CONTINUED IS NOT A STRATEGIC ISSUE EXCEPT THAT LETTING IMPORTANT ACTIVITIES END TOO SOON MAY IMPACT ON RESULTS.

IN THE END THAT IS THE MISSION'S CALL. USAID/W EXPECTS THAT THE VIRTUAL TEAMS WILL BE CONSULTED DURING THE

CONTINUED DEVELOPMENT AND IMPLEMENTATION OF THE TRANSITION PLAN.

THE FINAL OVERARCHING ISSUE CONCERNED WHETHER "NEED" FIGURED INTO THE CRITERIA FOR THE SELECTION OF PARTNERS, ACTIVITIES AND ZONES FOR INTERVENTION. THE STRATEGY APPEARED TO INADVERTENTLY DISCRIMINATE AGAINST POORER COMMUNITIES. THIS WAS RESOLVED WHEN THE MISSION AGREED TO WORK CLOSELY WITH "NEEDY" AREAS TO DEVELOP PROPOSALS FOR INCLUSION IN THE USAID PROGRAM.

IV. SO 1 AND SO 2 COMMON ISSUES:

A. DECISIONS:

1. ALL AGREED THAT SO 1 AND SO 2 MEET THE TESTS FROM THE ADS FOR MULTIDIMENSIONAL SOS, I.E. THEY ARE A) IMPLEMENTED IN AN INTEGRATED MANNER, B) ACHIEVABLE BY A COMMON SET OF INTERMEDIATE RESULTS AND CAUSAL LINKAGES REPRESENTED IN THE RESULTS FRAMEWORK, AND C) THE COMPONENT RESULTS ARE INSEPARABLE AND MUTUALLY REINFORCING.

2. THE CRITICAL CONCERN FOR THESE TWO SOS, BUT ALSO FOR THE ENTIRE STRATEGY WAS THAT IN ORDER TO ACHIEVE GREATER RESULTS THROUGH SYNERGY, THE SYNERGY MUST BE MANAGED. THE MISSION WILL USE A SYNERGY GROUP WITH PARTICIPANTS FROM EACH SO AND A FULLY STAFFED MONITORING AND EVALUATION UNIT TO ASSURE THAT THE HIGH LEVEL OF SYNERGY REQUIRED BY THESE TWO MULTIDIMENSIONAL SOS AND THROUGHOUT THE STRATEGY IS ATTAINED.

3. TO RESOLVE THE ISSUE OF THE REQUIREMENT THAT ADEQUATE TRACKING OF ENVIRONMENTAL FUNDS MUST EXIST IN THE STRATEGY, THE MISSION HAS AGREED TO TRACK RESULTS BY ENVIRONMENTAL INDICATORS, WHICH EXIST FOR BOTH SO 1 (AT THE KIR LEVEL) AND SO 2 (AT THE SO LEVEL).

B. DISCUSSION:

MANY SIDE MEETINGS AS WELL AS THE FORMAL SESSIONS RAISED SEVERAL ISSUES CONCERNING SO 1 AND SO 2. THE EXCELLENT COLLABORATION OF ALL CONCERNED LED TO THE RESOLUTION OF ALL THE ISSUES WITH THE MUTUALLY AGREED UPON DECISIONS ABOVE.

V. STRATEGIC OBJECTIVE 1: PRIVATE SECTOR.

A. DECISIONS:

1. USAID/W ENDORSED USAID/SENEGAL'S SO 1: "SUSTAINABLE INCREASE OF PRIVATE SECTOR INCOME GENERATING ACTIVITIES IN SELECTED SECTORS."

2. MISSION WILL NOT DIRECTLY SUPPORT AGRICULTURAL PRODUCTION, BUT THE NRM ASPECTS OF SO 1 AND SO 2 WILL INDIRECTLY RESULT IN INCREASED PRODUCTIVITY.

B. DISCUSSION

WITH THE RESOLUTION OF THE OVERARCHING AND COMMON ISSUES WITH SO 2, ALL AGREED THAT THIS SO WAS CRITICAL TO SENEGAL'S DEVELOPMENT. THE EMPHASIS ON GENDER AND SUSTAINABILITY WERE BOTH CITED AS CRUCIAL ASPECTS OF THE SUCCESS OF THIS SO.

THE USE OF NPA WAS DISCUSSED BRIEFLY AND NOT RULED OUT AS A TOOL IN ACHIEVING THIS OBJECTIVE USING BUDGET RESOURCES WHICH ARE OR BECOME AVAILABLE TO THE MISSION.

A CLEARER UNDERSTANDING OF THE ASPECTS OF AGRICULTURAL DEVELOPMENT WHICH THE MISSION WAS PLANNING ON UNDERTAKING, MADE THE FACT THAT IT WAS NOT DIRECTLY PROMOTING AG PRODUCTION EASIER TO ACCEPT BY TECHNICAL OFFICERS DEALING WITH FOOD SECURITY.

VI. STRATEGIC OBJECTIVE 2: DECENTRALIZATION

A. DECISION:

1. USAID/W ENDORSED THIS SO: MORE EFFECTIVE, DEMOCRATIC, AND ACCOUNTABLE LOCAL MANAGEMENT OF SERVICES AND RESOURCES IN TARGETED AREAS.

2. ONE OF THE MOST IMPORTANT CONCERNS RAISED THE CRUCIAL ROLE THAT THE CENTRAL GOVERNMENT MUST PLAY IN DECENTRALIZATION AND THE ESSENTIAL ROLE THE MISSION WILL HAVE IN INDUCING GOS TO FULFILL ITS ROLE. THE MISSION AFFIRMED IT WILL MAKE EVERY EFFORT TO PROMOTE THE REQUIRED POLITICAL WILL AND TO ENSURE THAT THE GOS CENTRAL LEVEL WILL TAKE ALL ACTIONS REQUIRED TO KEEP DECENTRALIZATION ON TRACK.

3. MISSION EXPLAINED IN ADDENDUM NO.3 WHY IT DOES NOT ANTICIPATE WORKING ON ELECTIONS AT THE NATIONAL LEVEL. THE MISSION WILL DEVELOP TWO NEW INTERMEDIATE RESULTS THAT RELATE TO SUPPORT FOR LOCAL ELECTIONS AND LOCAL ACCOUNTABILITY IN THE RESULTS FRAMEWORK DURING RESULTS PACKAGE PREPARATION IN SENEGAL. G/DG AND AFR/SD/DG SUPPORT WILL BE USED IN FRAMING THE NEW IRS.

B. DISCUSSION:

EFFORTS TO PUSH FOR DECENTRALIZATION AT THE CENTRAL GOVERNMENT LEVEL ENGENDERED MUCH DISCUSSION AND RAISED THE

QUESTION OF BOTH THE COMPLEXITY AND THE IMPORTANCE OF DEALING WITH DECENTRALIZATION IN SENEGAL. ALL AGREED THAT THIS WOULD REQUIRE MUCH EFFORT AND THAT THE MISSION WAS WELL AWARE OF THE RISK IT WAS TAKING AND THE EFFORT REQUIRED. IN THE END ATTENDEES REACHED CONSENSUS THAT THIS WAS AN IMPLEMENTATION ISSUE. HOWEVER, OWING TO THE COMPLEXITIES OF THE ISSUES SURROUNDING DECENTRALIZATION, USAID/W ENCOURAGES THE MISSION TO SEEK OUT TECHNICAL ASSISTANCE IN THE AREA OF FISCAL DECENTRALIZATION. IN ANY EVENT, MISSION SHOULD SEEK TO COORDINATE EFFORTS IN THE AREA OF DECENTRALIZATION WITH THE IMF AND WORLD BANK.

HOW MUCH USAID COULD ACCOMPLISH IN THIS NEW SECTOR WAS ALSO QUESTIONED. THOUGH THE MISSION HAD THE RIGHT TO BE AMBITIOUS, ALL AGREED THAT IT WOULD BE BETTER TO BE A BIT CONSERVATIVE ON THE TARGETS AND EXCEED THEM AS LONG AS THE RESULTS WERE WORTH THE INVESTMENT. THE NUMBER OF RURAL COMMUNITIES (CRS) WHICH THE MISSION IS TARGETING FOR ASSISTANCE WAS REDUCED FROM 80 TO 50 IN THE NEW SO 2 INDICATOR PRESENTED ABOVE (SEE OVERARCHING ISSUES). THE D/G EXPERTS IN ATTENDANCE AGREED THAT SUCH A TARGET WAS CERTAINLY WORTH THE FUNDING LEVELS REQUESTED.

SEVERAL SIDE MEETINGS WERE REQUIRED TO RESOLVE THE ISSUES ASSOCIATED WITH THIS BRAND NEW SECTOR FOR USAID/SENEGAL. BUT ALL AGREED THAT USAID MUST BE A PLAYER AND IN FACT A LEADER IN DECENTRALIZATION IN SENEGAL IF IT IS TO HAVE A CHANCE TO SUCCEED.

VII. STRATEGIC OBJECTIVE 3: REPRODUCTIVE HEALTH

A. DECISIONS:

1. USAID/W ENDORSED USAID/SENEGAL'S SO 3: INCREASED AND SUSTAINABLE USE OF REPRODUCTIVE HEALTH (CHILD SURVIVAL, MATERNAL HEALTH, FAMILY PLANNING, AND STI/AIDS) SERVICES IN THE CONTEXT OF DECENTRALIZATION IN TARGETED AREAS.
2. THE MISSION PRODUCED ADDENDUM NO. 5 TO THE CSP WHICH IDENTIFIES THE ELEMENTS OF THE NATIONAL POLICY AND TECHNICAL AGENDA, THE LINKAGES TO THE LOCAL DISTRICT LEVEL APPROACHES AND HOW THESE ELEMENTS FIT TOGETHER TO ACHIEVE THE TARGETS.
3. THE MISSION REAFFIRMED THEIR DECISION TO HAVE FOUR TECHNICAL PROFESSIONALS ON THE SO3 TEAM AND POSSIBLY A TAACS ADVISOR AS WELL.

B. DISCUSSION:

MANY ISSUES WERE RESOLVED SIMPLY THROUGH THE IMPROVED UNDERSTANDING WHICH WAS ACHIEVED DURING THE PROGRAM WEEK. ONE QUESTION WHICH REQUIRED FURTHER EXPLANATION CONCERNED THE LINKAGES BETWEEN THE LOCAL DEMAND DRIVEN APPROACH AND THE MISSION'S NATIONAL POLICY AND TECHNICAL AGENDA. ALL FINALLY AGREED THAT AS THE STRATEGY IS IMPLEMENTED AND DECENTRALIZATION PROCEEDS, A MYRIAD OF ISSUES WILL ARISE. IT WOULD BE UNFAIR TO ASK THE MISSION TO ADDRESS ALL ISSUES NOW WHICH MIGHT ARISE DURING IMPLEMENTATION. HOWEVER, THE DECISION TO PRODUCE ADDENDUM NO. 5 RESOLVED THE ISSUE SATISFACTORILY.

SOME QUESTIONED WHETHER THE STRATEGY ENCOURAGED A LEARNING APPROACH. IF LOCAL GRANT RECIPIENTS WILL BE ASSESSED AFTER ONLY ONE YEAR AND A DECISION MADE WHETHER TO CONTINUE OR TO CUT OFF FUNDING, THE PERIOD OF TIME SEEMED TOO SHORT. THE MISSION EXPLAINED THAT IT IS NOT GOING TO BE UNREASONABLY DEMANDING REGARDING LOCAL LEVEL RESULTS, I.E. THE MISSION WOULD NOT CUT PEOPLE OFF AFTER THE FIRST YEAR UNLESS IT WAS EVIDENT THAT NOTHING COULD BE ACHIEVED. THIS RESOLVED THE ISSUE.

NOTE: THE MISSION WAS COMMENDED FOR DEVELOPING AN APPROACH TO MONITORING DECENTRALIZATION'S EFFECT ON DELIVERY OF HEALTH SERVICES WHICH SHOULD BE A MODEL FOR ALL OF AFRICA.

VIII. BUDGET

A. DECISIONS.

1. THE BUREAU APPROVED THE REQUESTED BUDGET OF APPROXIMATELY \$23.4 MILLION PER YEAR. THE MISSION WAS ADVISED TO EXPECT DIFFERENT LEVELS DEPENDING ON DIRECTED FUNDS. ON THE GENERAL BUDGET, DP FOUND THAT EG/AGR (\$8.2M) AND ESPECIALLY D/G (\$3.0M) AMOUNTS REQUESTED WOULD BE DIFFICULT TO GET, NRM (\$3.6) SEEMED REASONABLE, AND ADVISED THE MISSION TO BE PREPARED FOR THE POSSIBILITY OF EXPANDING ITS EFFORTS IN THE PHN AREA (\$8.6 REQUESTED) OR POSSIBLY ADJUSTING TO A LOWER OVERALL RESOURCE LEVEL. I.E. LESSER PHN RESOURCES WOULD NOT NECESSARILY TRANSLATE INTO MORE EG OR DG FUNDS. THE MISSION ARGUED THAT MORE PHN FUNDING WOULD BE DIFFICULT TO ABSORB, BUT DID AGREE TO TRY TO FIND WAYS OF USING PHN FUNDS FOR SOME OF THE HEALTH RELATED INTERVENTIONS IN SO1 AND SO2 ACTIVITIES, E.G. POLICY REFORM, PRIVATE LENDING FOR PRIVATE HEALTH PROFESSIONALS, ETC.

2. THE QUESTION OF WHETHER ADDITIONAL FUNDING COULD BE OBTAINED FOR AIDS IN FY1998 WAS DISCUSSED. SEVERAL POSSIBILITIES WERE MENTIONED INCLUDING FALLOUT FUNDS, CANVASSING OTHER MISSIONS FOR SWAPS, AND/OR BORROWING FROM

WHAT WE HAVE AVAILABLE FOR THE UN THIS YEAR. UNFORTUNATELY, NO FINAL SOLUTION TO THE PROBLEM COULD BE FOUND. DP PROMISED TO DO ITS BEST.

3. THE MISSION RAISED THE ISSUE THAT O.E. LEVELS WOULD CAUSE REAL PROBLEMS IN OVERSEEING THIS CSP IF THERE IS NO RELIEF BY 2002. DP SAID IT SAW NO RELIEF IN SIGHT. THE MISSION SAID IT WOULD LOOK INTO ADDITIONAL WAYS, IN CONSULTATION WITH GC, OF STRUCTURING THEIR ACTIVITIES TO MINIMIZE OE BY MAXIMIZING THE USE OF PROGRAM FUNDS FOR PROGRAM/PROJECT REQUIREMENTS.

IX. STAFFING.

A. DECISION: USAID/W AGREED THAT USAID/SENEGAL WOULD STRAIGHT LINE STAFF NOT COUNTING THE REGIONAL STAFF, WITH THE ONLY ISSUE BEING WHETHER A STRAIGHT LINE OE BUDGET WOULD ALLOW THIS.

X. CONCLUSIONS AND FINAL FOLLOW-ON ACTIONS.

USAID/SENEGAL'S COUNTRY STRATEGIC PLAN AND MANAGEMENT CONTRACT FOR 1998-2006 IS APPROVED BY THE A-AA/AFR.

THE MISSION AGREED TO CONSOLIDATE THE CSP PART OF THE MANAGEMENT CONTRACT BY INTEGRATING THE ADDENDUMS INTO IT AND MAKING ANY OTHER CHANGES NEEDED SO THAT REFERENCES TO MODIFIED SECTIONS WERE CONSISTENT. THE MISSION AGREED TO PROVIDE THE CONSOLIDATED VERSION OF THE PLAN NLT JUNE 15, 1998.

SUBJECT TO AVAILABILITY OF FUNDING, REQUIRED CONGRESSIONAL NOTIFICATIONS, AND LEGAL CLEARANCE, STRATEGIC OBJECTIVE AGREEMENTS FOR ALL THREE SOS MAY BE ENTERED INTO BY USAID/SENEGAL WITH THE GOVERNMENT OF SENEGAL. YY

GC/AFR:JPOWER(DRAFT)

Y

